



JCM THE JOINT CREDITING
MECHANISM

Update of Recent Progress of The Joint Crediting Mechanism

13th March 2025



Ministry of the Environment

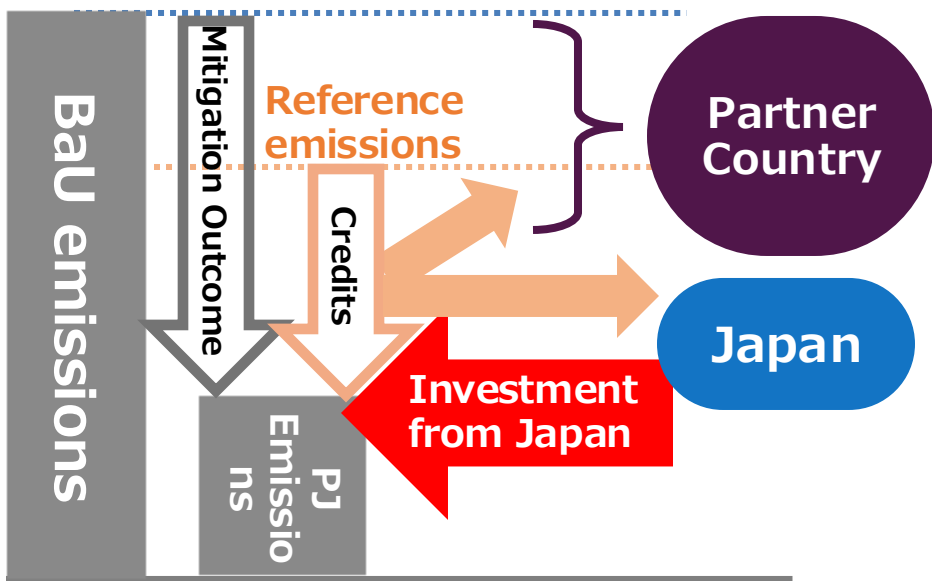
1. Overview of the JCM
2. Policies to promote the JCM

Overview of the JCM







Basic Concept of the Joint Crediting Mechanism(JCM) JCM THE JOINT CREDITING MECHANISM

- In partner countries(29 as of Mar 2025), Japanese companies and government collaborate on mitigation activities. The achieved mitigation outcomes will be shared as JCM credits between the partner countries and Japan in proportion to their respective contributions.
- **The JCM credits incentivize investment** by Japanese companies and government in various decarbonization projects bringing **various benefits including contribution to achievement of NDC** and further decarbonization, diffusion of new technologies and addressing socio-economic challenges.

Basic Concept



JCM Projects (Over 250 as of Mar 2025)

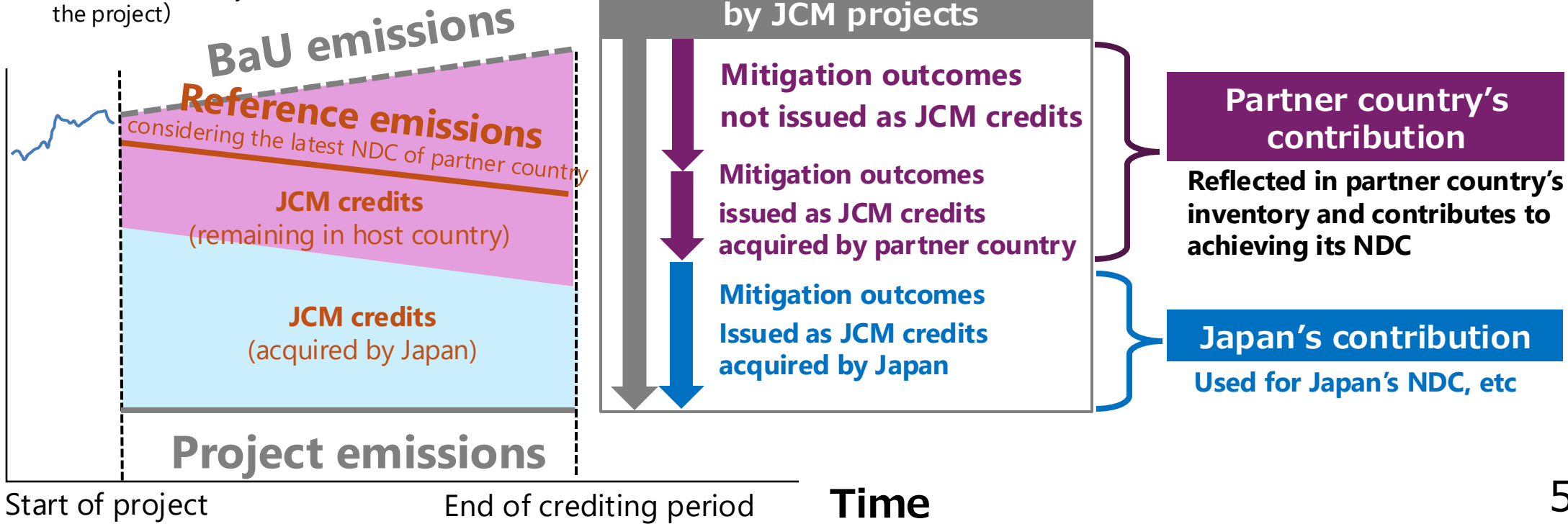
<h3>Renewable Energy</h3>  <p>Floating Solar PV, TSB Co., Ltd., Thailand</p>  <p>Binary Power Generation Project at Geothermal Power Plant, MHI, Ltd., Philippines</p>	<h3>Energy efficiency</h3>  <p>Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia</p>	
<h3>Effective Use of Energy</h3>  <p>Gas Co-generation System and Absorption Chiller, Kansai Electric Power, Thailand</p>	<h3>Waste</h3>  <p>Waste to Energy Plant, JFE engineering, Viet Nam</p>	<h3>Transport</h3>  <p>CNG-Diesel Hybrid Public Bus, Hokusan Co., Ltd., Indonesia</p>

Evaluation and crediting of mitigation outcomes under the JCM

1. Mitigation outcomes issued as **JCM credits** are the **difference between project emissions and reference emissions** that are established considering the **latest NDC of partner country**.
2. **However, Total mitigation outcomes by JCM projects**, the difference between business-as-usual (BaU) and project emissions, **consist of mitigation outcomes that is 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**.
3. **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 contribution includes **private and public financial contributions, in-kind contributions, such as technical and operational contributions**.

Emission amount

(from sources covered by the project)



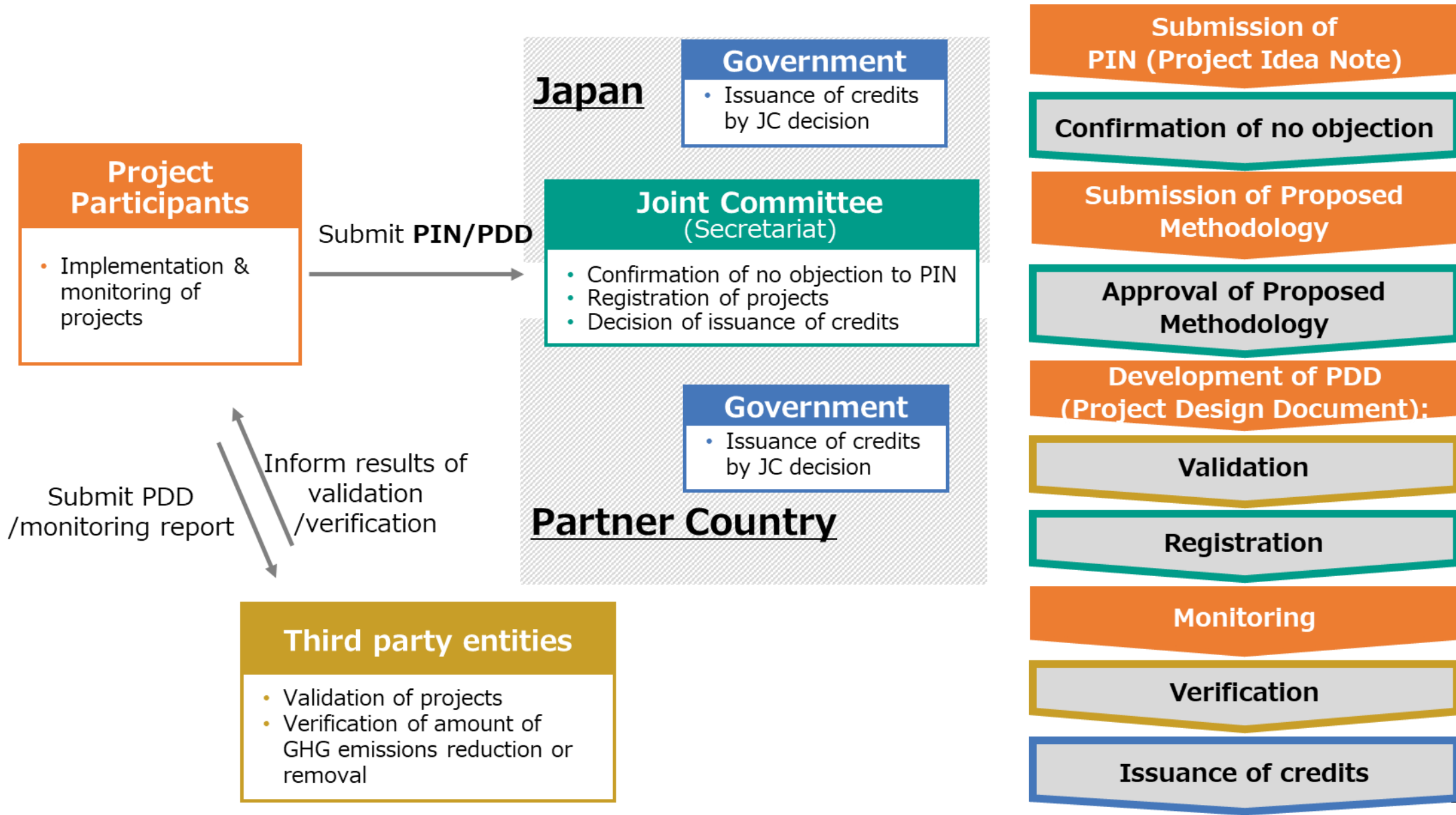
- **The JCM is consistent with Article 6** which prescribes for the use of emissions reductions realized overseas towards national emissions reduction targets.
- The amount of mitigation outcomes acquired by Japan under the JCM will be appropriately counted as Japan's reduction.
- **Article 6 requires both Parties to authorize the use of carbon credits as ITMOs (internationally transferred mitigation outcomes) and apply robust corresponding adjustment to ensure the avoidance of double counting.**

Article 6 of Paris Agreement

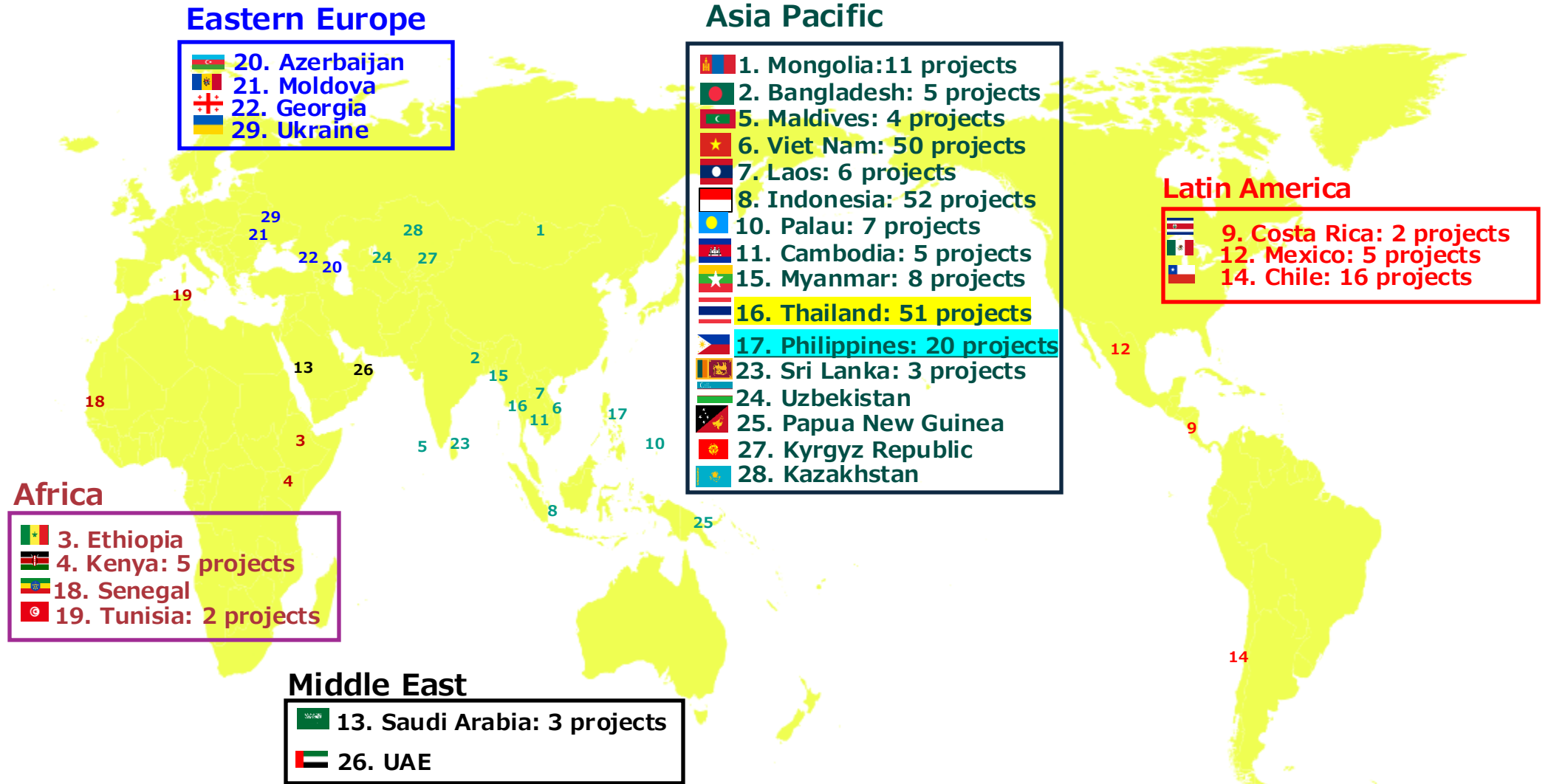
- 2. Parties shall, where engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistent with guidance adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.*
- 3. The use of internationally transferred mitigation outcomes to achieve nationally determined contributions under this Agreement shall be voluntary and authorized by participating Parties.*

Scheme of the JCM project cycle

- The JCM fully ensures transparency and environmental integrity through a robust governance structure and project cycle procedures.



30 friends including Japan





29 JCM Partner countries



More than 250 Projects



Over 3 billion USD of investment

Sectors of JCM projects

- So far, there have been **257 technology adoptions**.
- 56% of these are related to renewable energy, followed by 34% for energy efficiency, making up the majority.

Waste 2%

- Waste to Energy
- Power Generation with Methane Gas

Transport 1%

- Digital Tachographs
- Modal Shift
- CNG-Diesel Hybrid

REDD+ 1%

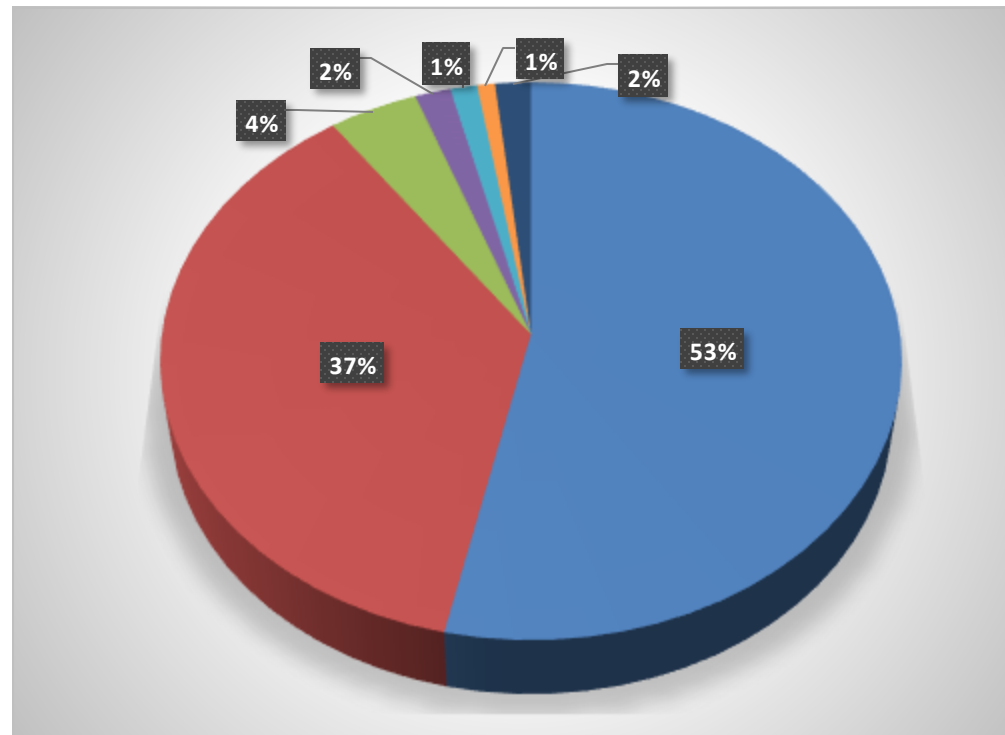
- Controlling slush and burn

Effective Use of Energy 4%

- Waste Heat Recovery
- Gas Co-generation

Energy efficiency 37%

- Boiler
- Air Conditioning
- Refrigerating/Chiller
- Looms
- Transformer
- LED Lighting



F-gas 2%

- Recovery & Destruction

Renewable energy 53%

- Solar(&Storage battery)
- Micro hydro
- Wind
- Biomass
- Geothermal

Policies to promote the JCM

The Government of Japan will launch new agency covering ALL the operation of JCM

In April 2025

- *One stop focal point for the JCM on behalf of Japanese government*
- *Implementation and facilitation of the JCM, including promoting JCM projects*
- *In charge for ensuring environmental integrity and transparency of the JCM*

Upgrading JCM website and registry

JCM Website

- Publishment of JCM projects • Credit issuance



JCM Registry system

- Credit Issuance • management



New JCM registry system

Japan plans to submit **one initial report common for all the partner countries** (NOT an individual report for each partner country).

- Submission of initial report will **fulfill a requirement to use ITMOs between the two countries**. (Decision 2/CMA3, para18 Annex IV, A “...shall submit an Article 6, paragraph 2, initial report no later than authorization of ITMOs.”)
- **Demonstrate readiness** of authorizing ITMOs **to the market**. It may attract private sector to promote project formulation and investment. (If not ready, the direction can be indicated.)
- The integrated report common for partner countries has numerous benefits.
 - **Simply shows the basics of JCM,**
 - **Easy access to the information on JCM for the private stakeholders.**
 - Easy to coordinate between Japan and partner countries
 - Easy to respond to UNFCCC Article 6 review

Japan has submitted new NDC

2030 100million ton by JCM

*Accumulated

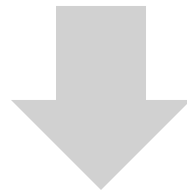


2040 200million ton by JCM

*Accumulated

GX ETS will start in 2026

- **Mandatory ETS**
- **Can use compliance credits**



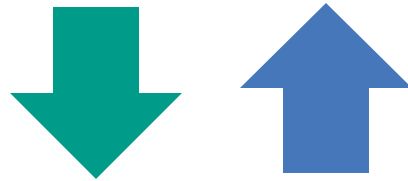
Creating huge demand
for JCM

	Programme	Type of support
Ministry of the Environment	Subsidies for JCM projects	Subsidy
	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
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

Subsidies for JCM projects by MOEJ

**Government
of Japan**

Subsidies to
investment cost
(up to half)



International consortiums
(including Japanese entities)

2025 budget
13 billion JPY
85 million USD



Thank you for listening



JCM global partnership meeting in 2025