

Implementation of the Article 6 rules into domestic rules

- **JCM Promotion and Utilization Council** was established at January 2022, which consists of relevant 5 Ministries (MoEJ, Ministry of Economy, Trade and Industry, Ministry of Foreign Affairs, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism)
- The Council's duties include ※ :
 1. the authorization of JCM credits as a Party to the Paris Agreement,
 2. the determination of a method to apply a corresponding adjustment to prevent double counting,
 3. the **revision of the Guidelines for the Implementation of the JCM in Japan.**
- Based on the public consultation conducted from Feb.4th to March 5th 2022, both the **procedures on the authorization** and **its corresponding adjustment** were adopted on April 7th2022.

※ These are referred in the Guidelines for the Implementation of the JCM in Japan (effective since 17th January 2022) as the separately specified procedures.

Revised Guidelines for the Implementation of the JCM

Guidelines for the Implementation of the Joint Crediting Mechanism (JCM) in Japan

Chapter 1 General Principles

Article 1

(Purpose)

The Guidelines are aimed at facilitating the efficient implementation of the Joint Crediting Mechanism (hereinafter referred to as "JCM") in Japan by specifying the necessary matters for the preparation and operation of the JCM registry of Japan, the issuance of the JCM credits in the JCM registry of Japan, and the management of the issued JCM credits, as well as procedures and forms related thereto, in line with the Paris Agreement and its relevant decisions, bilateral document of the JCM (hereinafter referred to as "bilateral document") and the rules and guidelines adopted by the Joint Committee established on the basis of the bilateral document (hereinafter referred to as "rules and guidelines").

Revised Guidelines for the Implementation of the JCM

Chapter 2 Authorization and the Corresponding Adjustment in accordance with the Paris Agreement

Article 6

(Authorization as a Party to the Paris Agreement)

- 1 The Government of Japan, as a Party to the Paris Agreement, authorizes through separately specified procedures, the use of the JCM credits issued from emission reductions and removals that are realized on or after 1st January 2021 for the purpose specified in Article 5, paragraph 1, as well as the use of the JCM credits whose use is approved for other international mitigation purposes specified in Article 5, paragraph 2, sub-paragraph 3), in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Japan requests the partner country to authorize, as a Party to the Paris Agreement, JCM credits issued from emission reductions and removals that are realized on or after 1st January 2021, in accordance with the Paris Agreement and its relevant decisions.

Revised Guidelines for the Implementation of the JCM

Article 7

(Corresponding adjustments)

- 1 The Government of Japan, as a Party to the Paris Agreement, applies a corresponding adjustment by deducting the quantity of the JCM credits authorized in line with Article 6, paragraph 1, from the amount of GHG emissions covered by Japan's NDC, when those JCM credits are used for the purpose of Article 5, paragraph 1 by following separately specified procedures, in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Japan requests the partner country to apply a corresponding adjustment by adding the quantity of JCM credits authorized in line with Article 6, paragraph 1 on the amount of GHG emissions covered by its NDC, in accordance with the Paris Agreement and its relevant decisions.

Procedures for Authorization by Japan as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (JCM) (Summary)

Who authorize:

- The JCM Promotion and Utilization Council (in Japan)

What to authorize:

- JCM credits issued in the JCM registry of Japan, JCM projects issuing those JCM credits and legal entities acquiring those JCM credits, etc., based on the notification from the Joint Committees decided in line with the JCM bilateral documents, rules and guidelines.

Information publicly available:

- The JCM implementing authorities promptly publish the information on authorization on the JCM website (<https://www.jcm.go.jp>)
- The name of a relevant partner country, the name of a JCM project, the name of a legal entity acquiring JCM credits, JCM credit identification number, and the status of authorization by the relevant partner country, etc.

Procedures for Corresponding Adjustments by Japan regarding the Joint Crediting Mechanism (Summary and provisional translation)

Application of indicative corresponding adjustment by Japan

- For each year from 2021 to 2029, Japan applies indicative corresponding adjustments by subtracting the average annual amount of JCM credits ※ as of the said year, from the amount of Japan's total greenhouse gas emissions for the said year submitted to the UNFCCC secretariat.

Application of corresponding adjustment for 2030 (=target year)

- Japan applies corresponding adjustments by subtracting the average annual amount of JCM credits ※ by 2030 from the total amount of Japan's greenhouse gas emissions covered by the NDC (= total greenhouse gas emissions of 2030).

※ The average amount of JCM credits as of the said year: This is calculated by dividing the cumulative amount of JCM credits by the number of years elapsed from 2021 to the said year / 2030.

※ Scope of the credits: transferred to the retirement account in the JCM registry of Japan, from January 1st, 2021 to December 31st of the said year /2030.

※ The partner country authorizes as well as applies corresponding by adding to the greenhouse gas emissions covered by its NDC.

Reference 1: Guidelines for the Implementation of the JCM in Partner Country

Chapter 2. Authorization and the Corresponding Adjustment in accordance with the Paris Agreement

Article 4

(Authorization as a Party to the Paris Agreement)

- 1 The Government of Mongolia, as a Party to the Paris Agreement, authorizes the JCM credits to be issued in the JCM registry of Japan for use towards achievement of Japan's NDC or other international mitigation purposes specified in Article 3, paragraph 1, sub-paragraph 1),

in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Mongolia, as a Party to the Paris Agreement, may authorize the JCM credits to be issued in the JCM registry of Mongolia for use to achieve other international mitigation purposes as specified in Article 3, paragraph 1, sub-paragraph 1), in accordance with the Paris Agreement and its relevant decisions.

Reference 2: Guidelines for the Implementation of the JCM in Partner Country

Article 5

(Corresponding adjustments)

- 1 The Government of Mongolia, as a Party to the Paris Agreement, applies a corresponding adjustment by adding the quantity of the JCM credits which were authorized in line with Article 4, paragraph 1 and issued for emission reductions achieved on or after 1 January 2021 in the JCM registry of Japan, on the amount of GHG emissions covered by Mongolia's' NDC, in accordance with the Paris Agreement and its relevant decisions.
- 2 The Government of Mongolia applies a corresponding adjustment by adding the quantity of the JCM credits which were authorized in line with Article 4, paragraph 2 and issued for emission reductions achieved on or after 1 January 2021 in the JCM registry of Mongolia , on the amount of GHG emissions covered by Mongolia's' NDC, when those JCM credits are used for the purposes as specified in Article 3, paragraph 1, sub-paragraph 1), in accordance with the Paris Agreement and its relevant decisions.