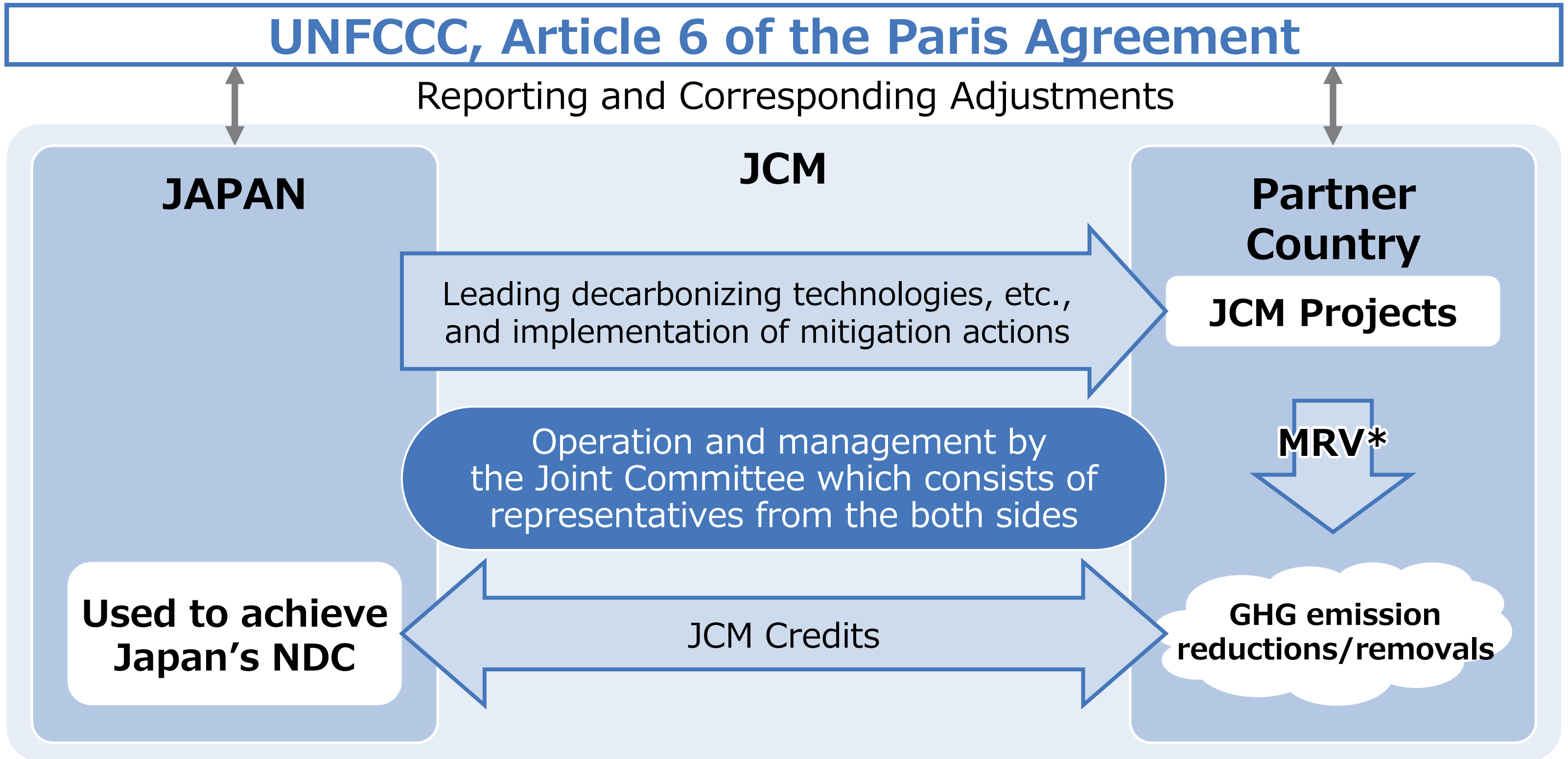
Brief presentation of the Joint Crediting Mechanism (JCM)

17 September 2025

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.



*measurement, reporting and verification

Benefits from the JCM

- The JCM offers Social, Economic, Environmental Benefits to both Japan and partner countries.

Japan	Partner countries
• Exploring New Business Opportunities • Enhancing Corporate Value → Attracting new investment • Acquiring JCM Credits → Contribute to NDC (emission reduction target) → Utilizing them for emission offset *Generating revenue from their sale • Enhancing Presence through contributions to global decarbonization	• Exploring New Business Opportunities • Enhancing Corporate Value → Attracting new investment • Diffusion of superior decarbonization technologies and products • Contribute to NDC (emission reduction target) of partner countries • Solving Social, Economic, and Environmental issues such as air pollution and infrastructure development

Projects supported by the JCM financing programmes

Renewable Energy


Solar power, FARMLAND Co., Ltd., Chile


Floating Solar PV,TSB Co., Ltd.,Thailand


Hydro Power Plant, Toyo Energy Farm Co., Ltd., Indonesia


Biogas Power Generation, ITOCHU Corporation, Philippines


Binary Power Generation Project at Geothermal Power Plant, MHI, Ltd., Philippines

Energy efficiency [Consumer sector]


Energy saving at convenience stores, Panasonic, Indonesia


High-efficiency refrigerator, Mayekawa MFG, Indonesia

Energy efficiency [Industrial sector]


Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia


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

Effective Use of Energy


Gas Co-generation System and Absorption Chiller, Kansai Electric Power, Thailand

Energy efficiency [Urban sector]


LED street lighting system with wireless network control, MinebeaMitsumi, Cambodia


Amorphous transformers in power distribution, Yuko-Keiso, Vietnam

Waste


Power Generation with Methane Gas Recovery System, NTTDATA, Mexico

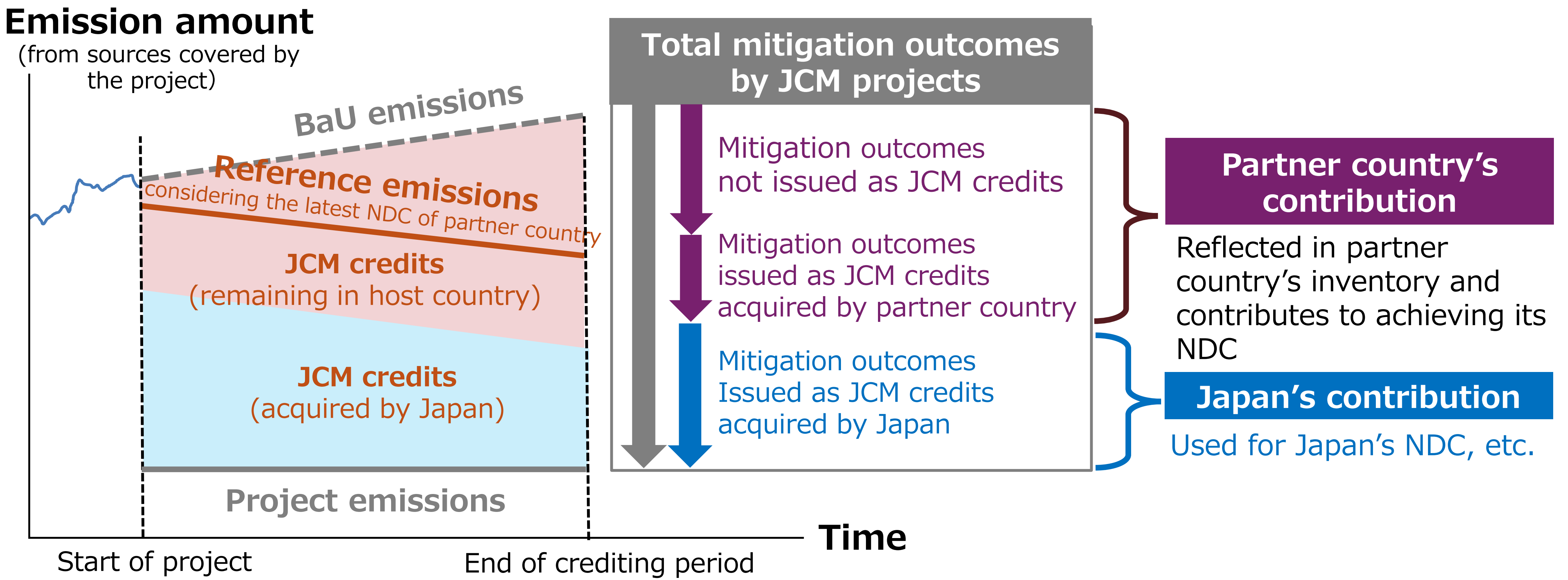

Waste to Energy Plant, JFE engineering, Myanmar

Transport


CNG-Diesel Hybrid Public Bus, Hokusan Co., Ltd., Indonesia

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.



The JCM related Articles in the Paris Agreement

Article 6 of the 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.

- Use of market mechanisms, including the JCM, is articulated under Article 6 which prescribes for the use of emissions reductions realized overseas towards national emissions reduction targets.
- The amount of emissions reduction and removal acquired by Japan under the JCM will be appropriately counted as Japan's reduction consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement (Decision 2/CMA.3).

JCM Website

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

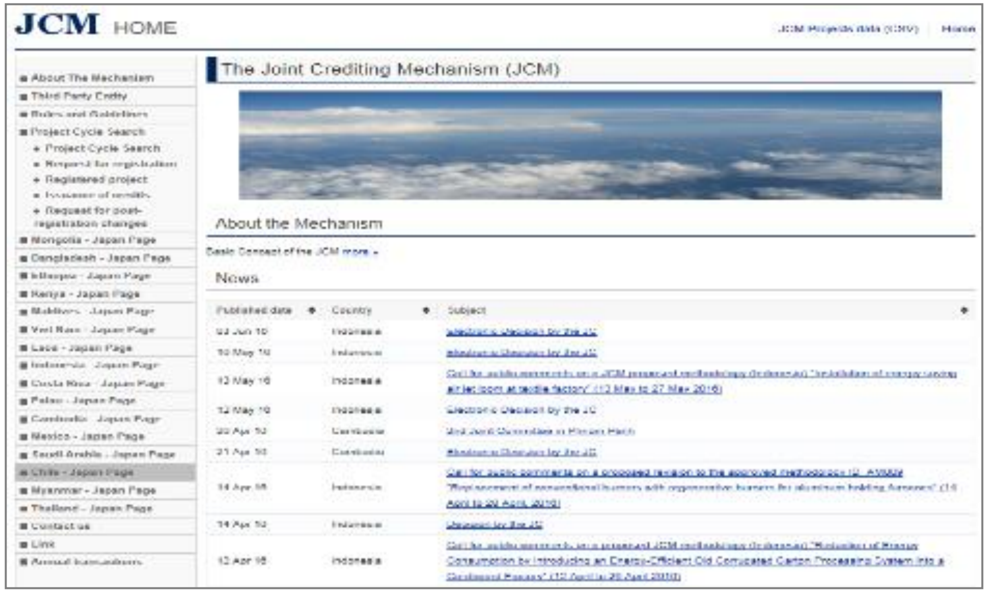
Contents

- 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