23rd Sep. Delhi JCM Forum and Way Forward: JCM Methodology

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Forum on Promoting Article 6 Business Engagement and Matching through the JCM

Date: 23rd Sep 2025 **Venue:** Taj Palace, New Delhi

Organizers:

- ❖ Ministry of Environment, Forestry and Climate Change (MOEFCC)
- ❖ Ministry of the Environment Japan (MOEJ)

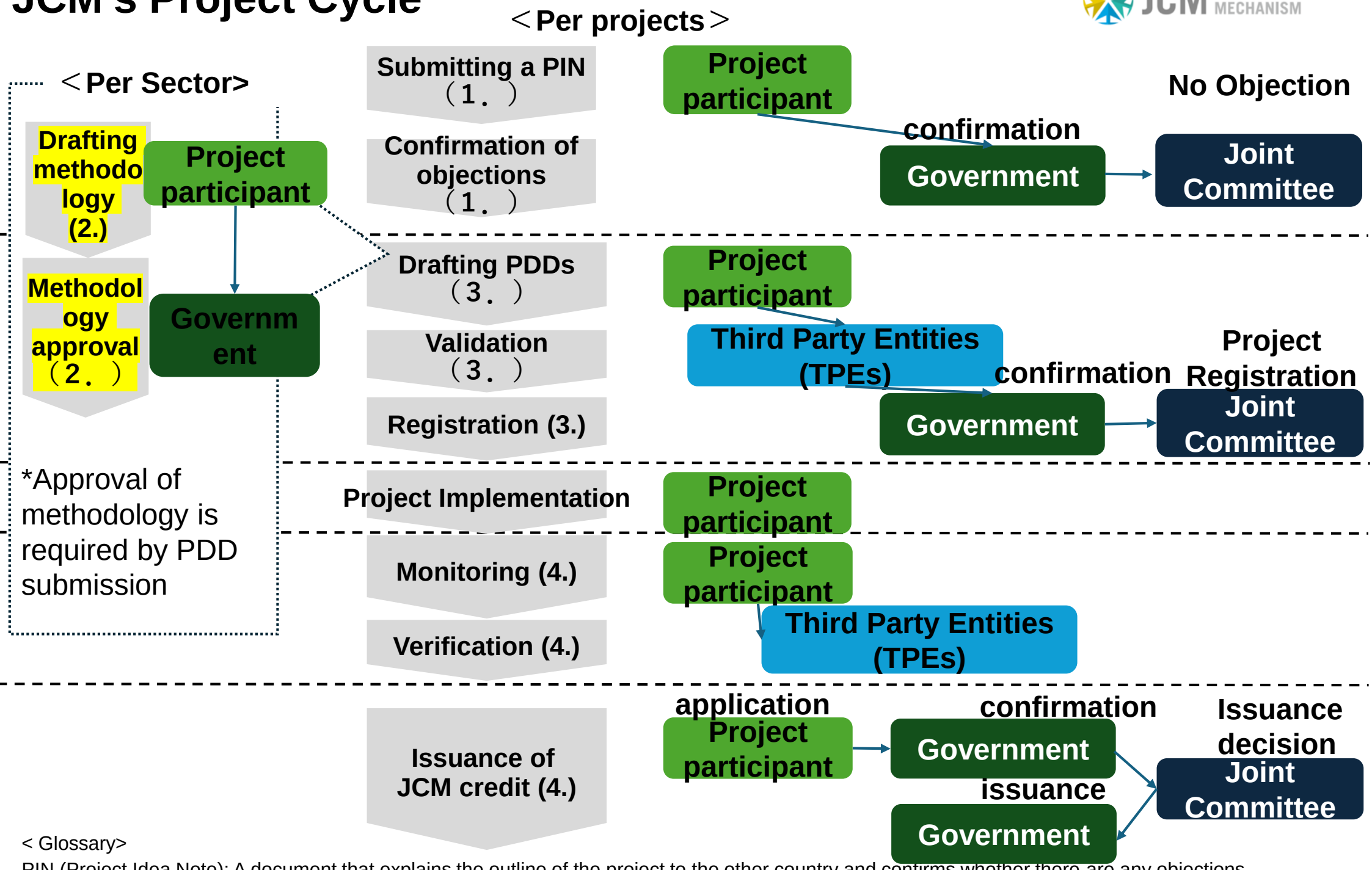
Participants: more than **700 person** (300: in-person, 400: on-line)

- Corporates, Government representatives, Research Organization, NGOs and relevant organizations in India and Japan

Business Matching and Consultation Session

What’s next?

JCM's Project Cycle



< Glossary>

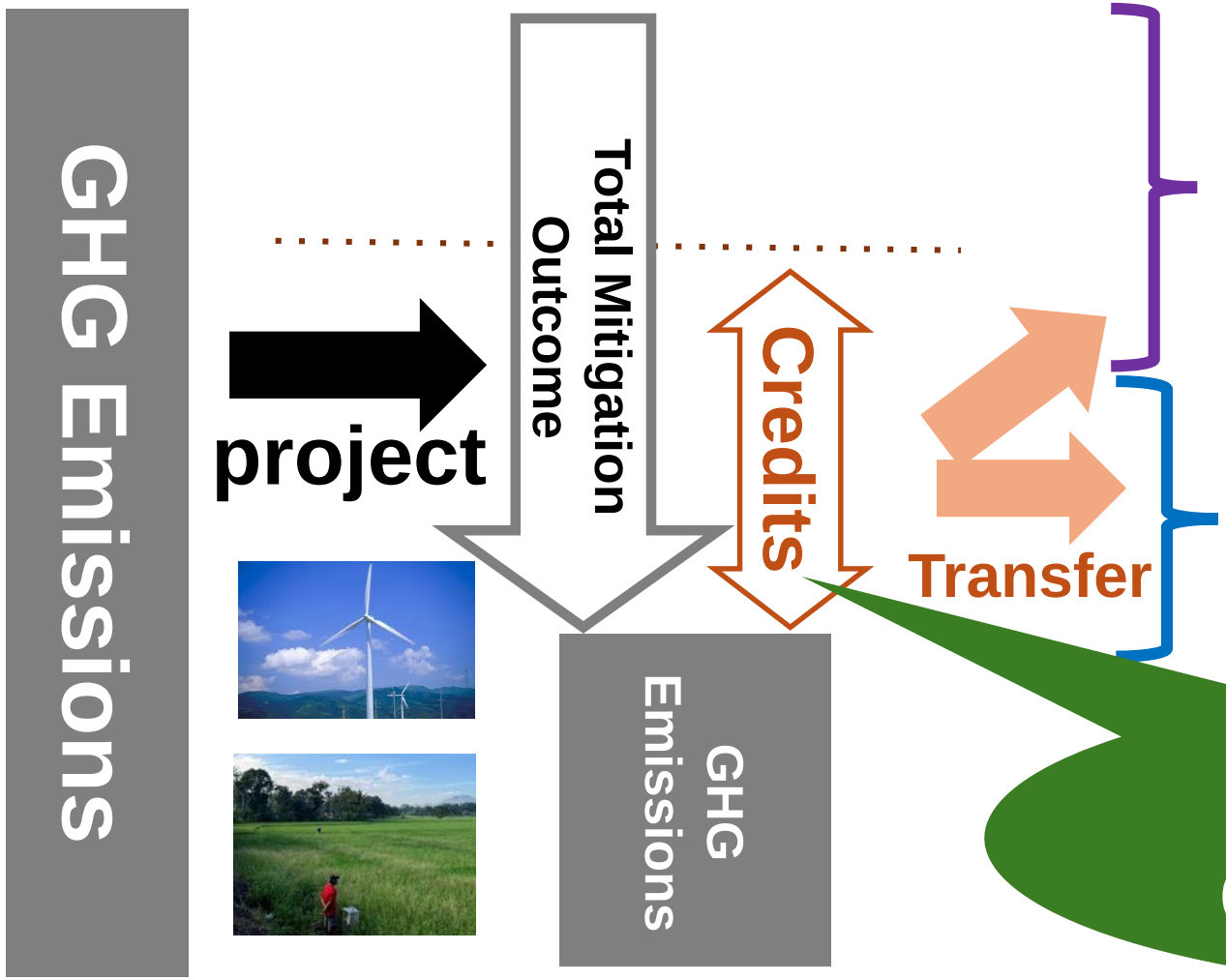
PIN (Project Idea Note): A document that explains the outline of the project to the other country and confirms whether there are any objections.

PDD (Project Design Document): A project design document that includes monitoring methods and estimated emission reductions for emission reductions. Required for project registration.

What is JCM methodology?

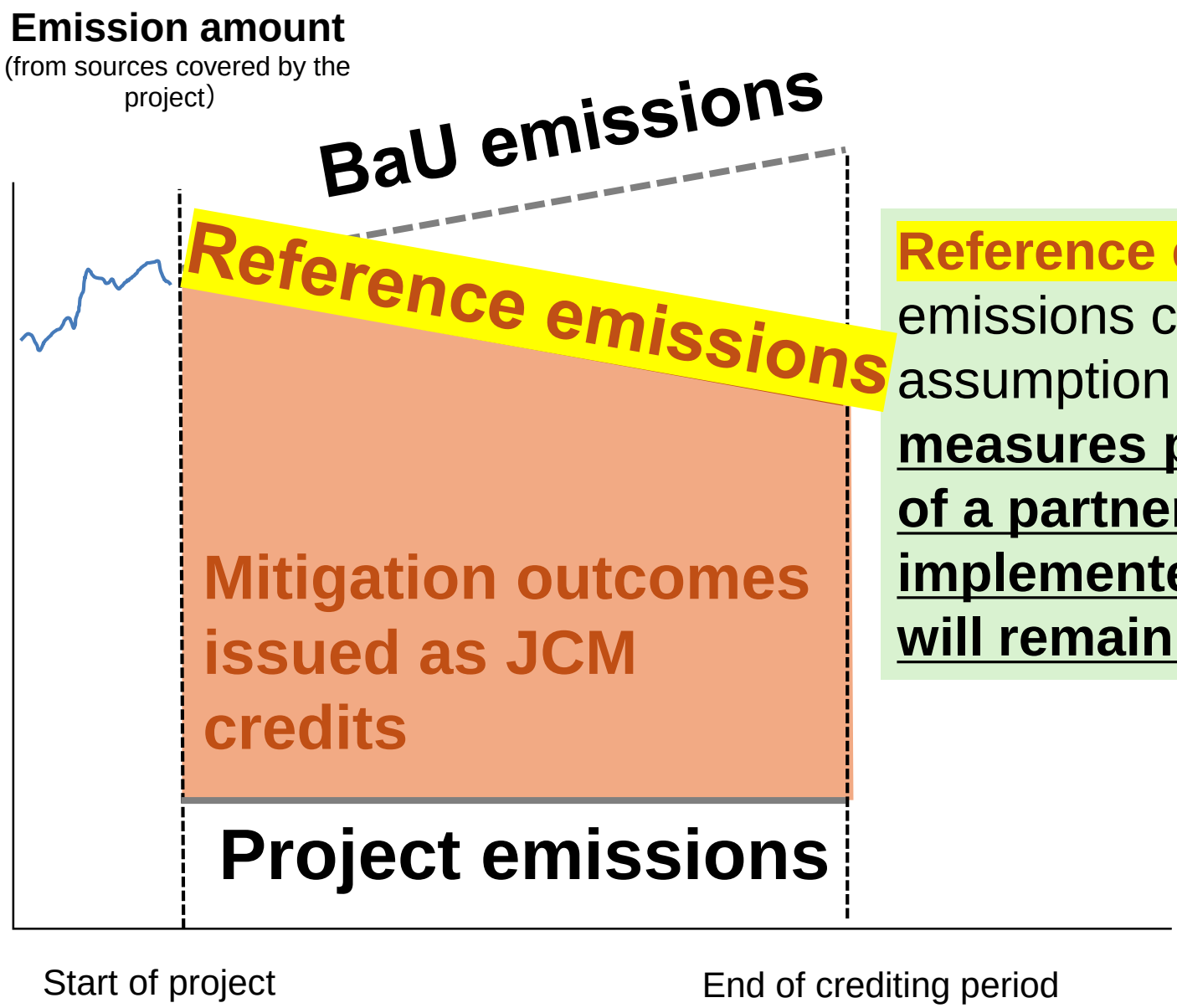
Methodology is a key document that

- Specifies **scope and eligibility of the JCM project**
- Explains **methods to quantify the amount of mitigation outcome**
- Provides estimation of **how much JCM credits to be issued**



JCM Methodology: ways to calculate GHG emission reductions

Reference emissions



Reference emissions is emissions calculated based on the assumption that the **mitigation measures planned in the latest NDC of a partner country are implemented** and GHG **emissions will remain below BaU**.

[Reference] Key decisions on Article 6

- Emission reduction evaluation for **conservative reference emissions** through **below 'business as usual (BAU)'** is required to ensure environmental integrity
- Based on the Glasgow guidance (2/CMA.3), **Participating Parties shall explain in Article 6 reporting for each cooperative approach.**

2/CMA3., annex, para 18. (Initial report)

18. Each participating Party shall submit an Article 6, paragraph 2, **initial report** (hereinafter referred to as an initial report) no later than authorization of ITMOs from a cooperative approach or where practical (in the view of the participating Party) in conjunction with the next biennial transparency report due pursuant to decision 18/CMA.1 for the period of NDC implementation. The initial report shall contain comprehensive information to:

(h) Ensures environmental integrity, including:

(ii) Through robust, transparent governance and the quality of **mitigation outcomes**, including through **conservative reference levels**, baselines set in a conservative way and **below 'business as usual' emission projections** (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage);

2/CMA3., annex, para 22. (Regular information)

22. Each participating Party shall also include, as **an annex to its biennial transparency reports** that are submitted in accordance with paragraph 10(b) of the annex to decision 18/CMA.1 and no later than 31 December of the relevant year, the following information on how each cooperative approach in which it participates:

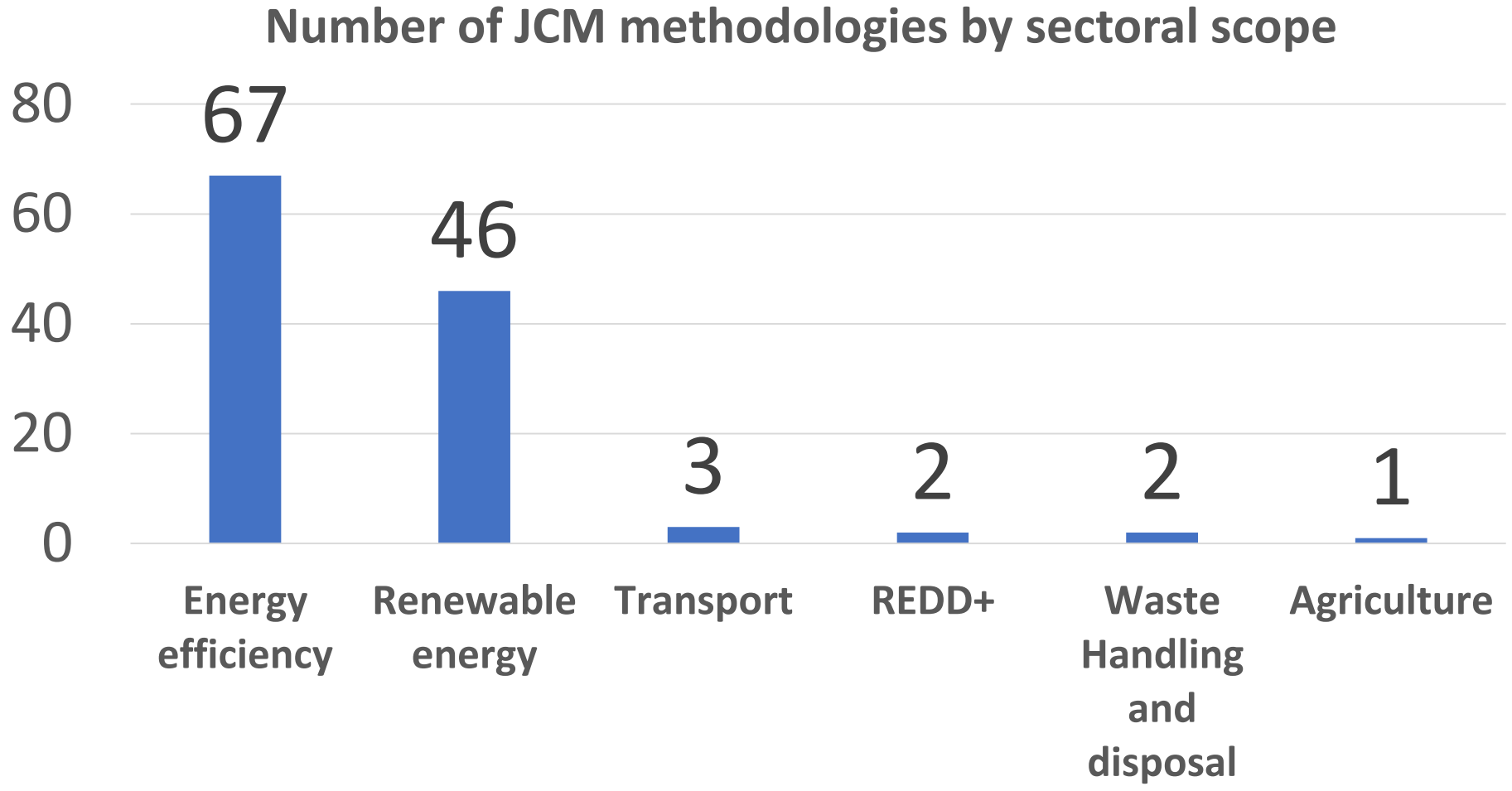
(b) Ensures environmental integrity, including:

(ii) Through robust, transparent governance and the quality of **mitigation outcomes**, including through **conservative reference levels**, baselines set in a conservative way and **below 'business as usual' emission projections** (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage);:

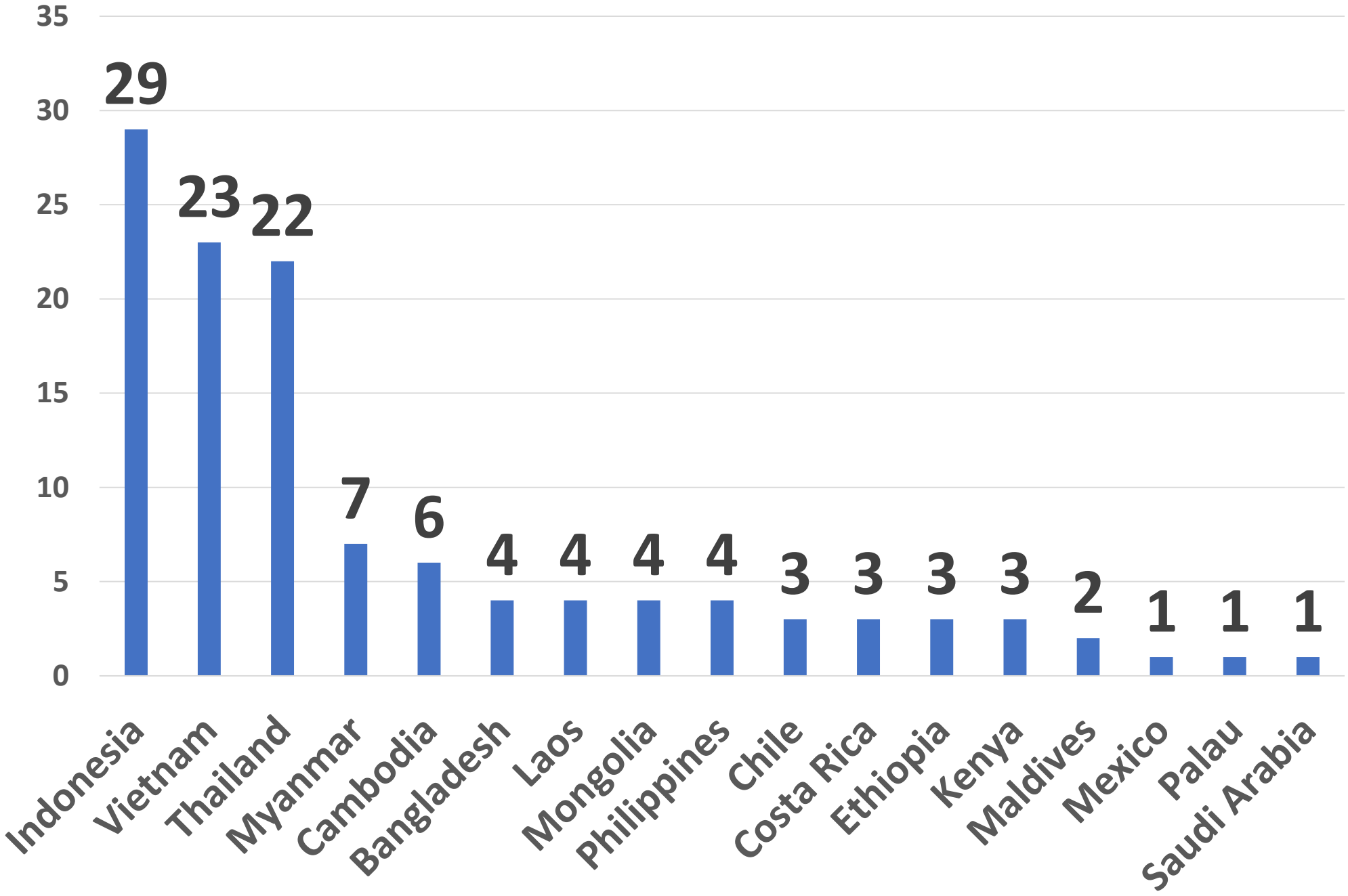
More than 100 JCM methodologies Approved

More than 100 JCM methodologies are already available:

- Renewable energy (PV, Biomass, Waste to Energy)
- Energy efficiency (Industry, Power Grid)
- Nature-based Solution (REDD+, Agriculture, Biomass)



Number of JCM methodologies by countries



Contents of JCM methodology

A	Methodology Title
B.	Terms and Definitions
C.	Summary of Methodology
	- GHG emission reduction measures
	- Calculation of reference emissions
	- Calculation of Project Emissions
	- Monitoring Parameters *Spreadsheet
D.	Eligibility Criteria
E.	GHG sources and GHG types
F.	Setting and Calculation of Reference Emissions *Additional Information
F.1.	Setting Reference Emissions
F.2.	Calculation of Reference Emissions
G.	Project emissions calculation
H.	Calculation of emission reductions
I.	Pre-determined (pre-set) data and parameters

Eligibility Criteria defined in the Methodology

- The eligibility criteria may include:
  - **Certain technology, product, services**
  - **Certain performance indicator** above threshold
  - **Certain sectors** applied
- Eligibility criteria should be able to be
  - **examined objectively.**
  - **ascertained upon validation** (should avoid those which need to be monitored ex post.)

Types of eligibility Criteria

Benchmarking

Introduction of products and technologies with a design efficiency of xx or higher (e.g., production per electricity consumption of ●●/kWh)

Positive List

Introduce certain high-efficiency products and technologies, such as air conditioners with inverters, electric vehicles, and solar power systems with storage batteries

Reference Emissions for JCM Credits

Key Principles are:

- **Below Business as usual (BaU)**
- **Explanation of rational with equations**
- **Conservativeness of methods to calculate**

Key considerations for Reference Emissions

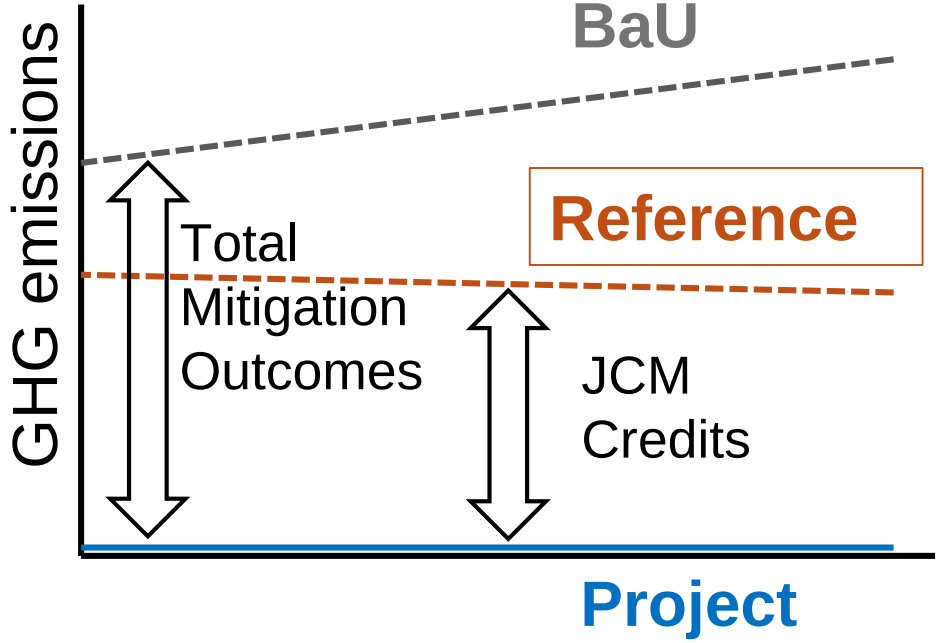
- ✓ *Latest NDC of Partner Country*
- ✓ *The current situation and performance;*
- ✓ *Average historical performance;*
- ✓ *Performance of similar products and technologies which compete with the project technology;*
- ✓ *Applicable regulations of partner country.*
- ✓ *Voluntary standards and targets;*
- ✓ *Best available technology*

Example in Energy Sector

Renewable Energy Generation

- In power generation projects, the amount of electricity supply is assumed to be the same as the BaU, reference, and project activities.
- To ensure conservative calculation of emission reductions, the CO2 emission factor of the reference is specified as being lower than that of BaU grid power system what would be replaced by the JCM projects.
- The values generally differ depending on whether the alternative power system is a grid system or a self-generation power system.

Power Supply × **Emission Factor**



Grid power CO2 emission factor

Grid power CO2 emission factor
***Lower than that of BaU scenario**

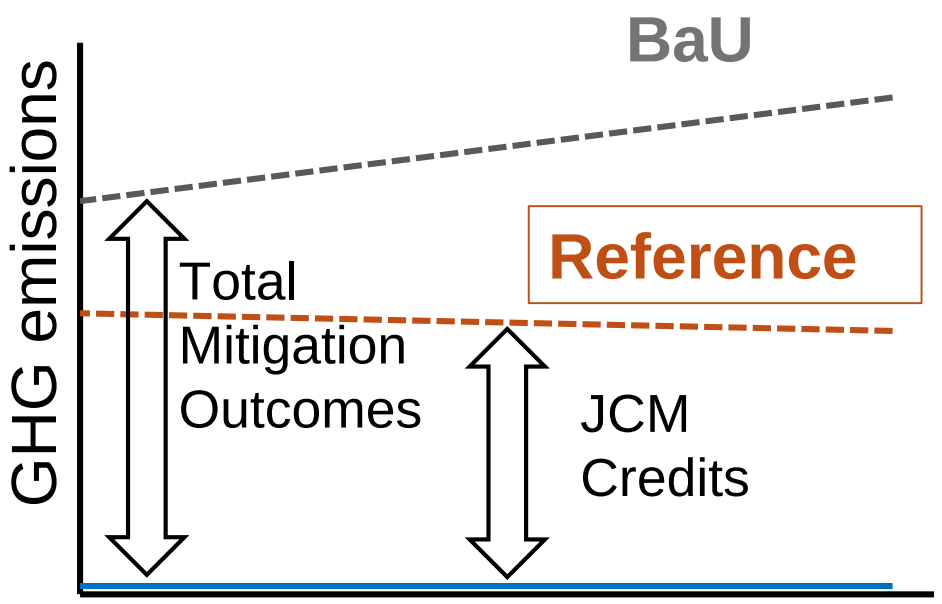
Renewable energy electricity
CO2 emission factor (= 0)

Example in Energy Efficiency

Introduction of Energy-saving equipment and devices

- Energy-saving projects, BaU represents the situation where existing equipments would have continue to be used. For new installation projects, the equipment is assumed to be relatively inexpensive and readily available in the partner country.
- Reference level is generally set based on benchmark values of high-performance equipment within the reasonable price range of general models available in the country's market.
- When the partner country has legal regulations, energy-saving standards, or government recommendations, references must be set to meet those requirements.

Power Consumption × **Efficiency of equipments** × **Emission Factor**



Efficiency of equipments
***Existing equipments**

Efficiency of equipments
***higher than BaU scenario**

Efficiency of equipments
***equipments used in projects**