



JCM THE JOINT CREDITING
MECHANISM

**Forum on Advancing Article 6 Implementation through Business Engagement
and JCM Project Matchmaking in the Philippines**

Application Criteria for JCM Projects

January 2026

Dusit Thani Manila Makati

JCM Implementation Agency (JCMA)

Designated by the Government of Japan

Application Criteria for JCM Projects

2

- Japan* developed “Application Criteria for JCM Projects” on December 8, 2025.

(*Ministry of the Environment, Ministry of Economy, Trade and Industry, Ministry of Agriculture, Forestry and Fisheries, JCM Implementation Agency (JCMA))

- These criteria are for determining whether it is appropriate to approve a project under the JCM and pursue the acquisition of credits, from Japanese perspective.
- Approval of a proposed project under the JCM requires consent with the government of the Partner Country, and meeting the above criteria does not guarantee formal approval of a JCM project.

1. For a project to be eligible for the JCM, it is required to provide **added value through the use of the JCM**, specifically:
 1. The need for incentives from credits to ensure project viability (e.g., there is no revenue expected other than credit income, or even if revenue is expected, the payback period would be prolonged or the internal rate of return (IRR) would be low without credit income, making project implementation difficult). However, no uniform numerical standards, such as IRR or payback period, will be set.
 2. From the perspective of contributing to the Partner Country's NDC, the project is required to demonstrate particular excellence in aspects such as level of difficulty of the technology, scale, or speed of implementation.
 3. The potential for spillover and horizontal expansion within the Partner Country (including participation of local companies and benefits to local industries through capacity building and technology acquisition).

The representative company is requested to explain these points. Based on this, and following sector-specific guidelines and methodologies as a premise, the relevant ministries and government agencies will comprehensively determine JCM applicability, considering factors such as accountability in an international context.

2. Before the earlier of the start date of procurement of equipment or construction of facilities for emission reductions or removals, the Project Idea Note (PIN) has been submitted to the government of the Partner Country through the Government of Japan.

However, projects that have already started procurement or construction will be exempt from this condition, in case due to subsequent changes in circumstances (e.g., changes in the business environment causing difficulties in continuation), the representative company can reasonably explain that the need for incentives from credits or added value as indicated in paragraph 1 has arisen, and projects implemented with public financial support for equipment or facilities toward application of the JCM.

3. Regarding the condition described in paragraph 2 above, projects that do not procure an equipment for emission reductions or removals (e.g., forestry sector, agriculture sector, land use sector) are exempt. For the forestry sector, activities started before the approval of the JCM guidelines for the forestry sector between Japan and the Partner Country may still be eligible if they meet the requirements described in the guidelines.

4. The PIN clearly explains the role of Japanese companies or government in emission reductions or removals and quantifies the financial contribution from Japan.