JCM THE JOINT CREDITING MECHANISM

Recent Developments and Progress for the JCM

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Ministry of the Environment

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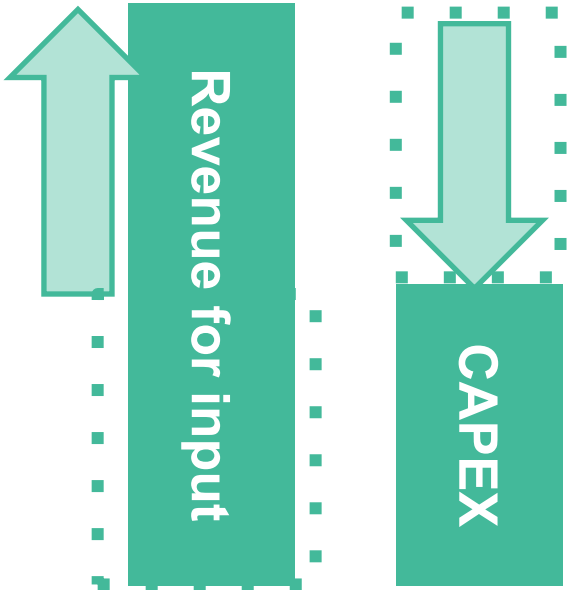
1. Overview of Joint Crediting Mechanism (JCM)

JCM works for support of decarbonization

- Through JCM, **Japanese companies and government cooperate with mitigation activities in partner countries** and share mitigation outcome.
- **JCM incentivizes Japan's investment** in decarbonization projects bringing various benefits including **reduction of cost of green energy/material**.

Partner countries

- Deduction of payment for decarbonizing material/energy
- Additional revenue for input in the supply chain



Cost incentive

Credits

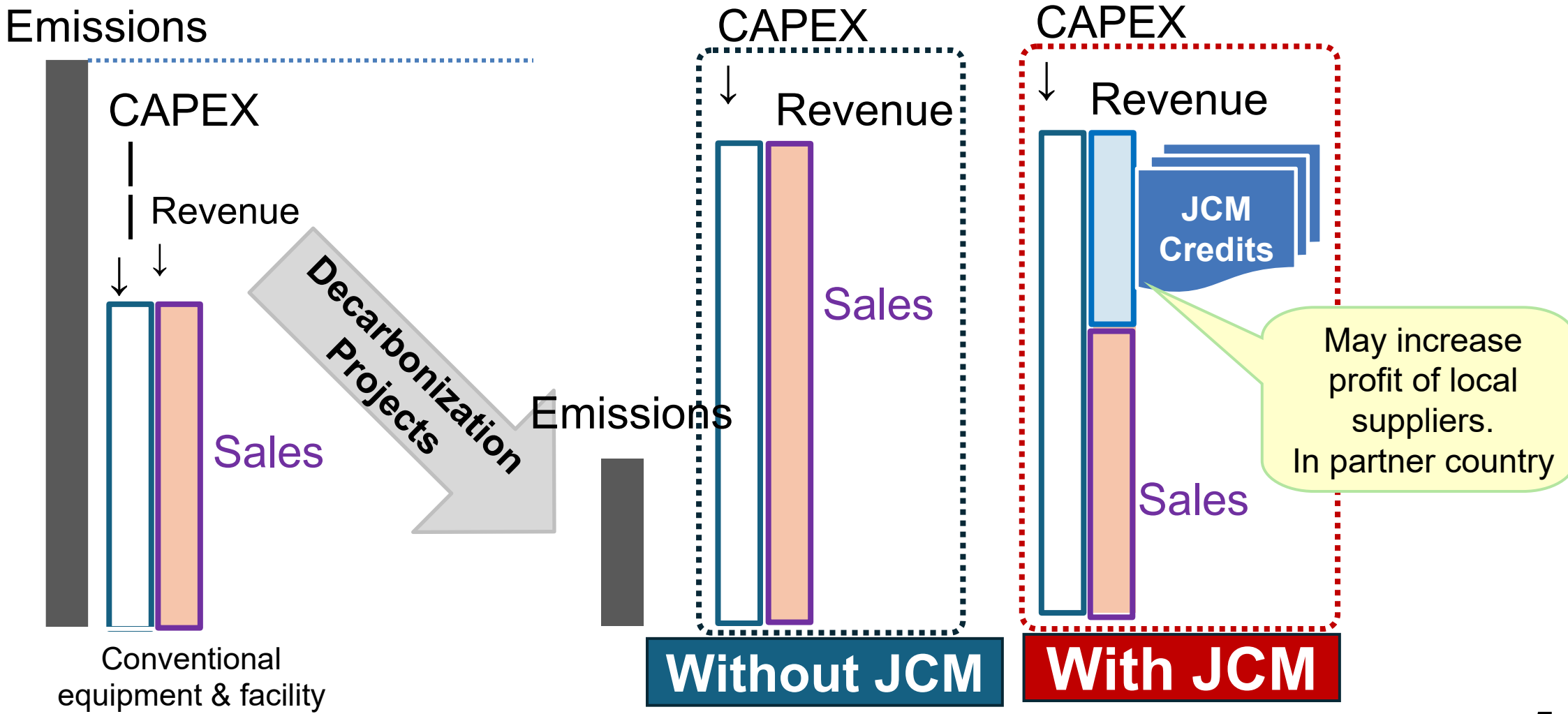
Japan

JCM credits acquired by Japan are used for

- NDC (National target).
- GX-ETS(Corporate compliance target)

JCM credits work for deduction of price or increase of profit

- **<u>JCM incentivizes Japan's investment</u>** in decarbonization projects bringing various benefits including
  - ➢ Deduction of price for decarbonizing material/energy in the partner country.
  - ➢ Increase of profit for supply by partner country's local suppliers.

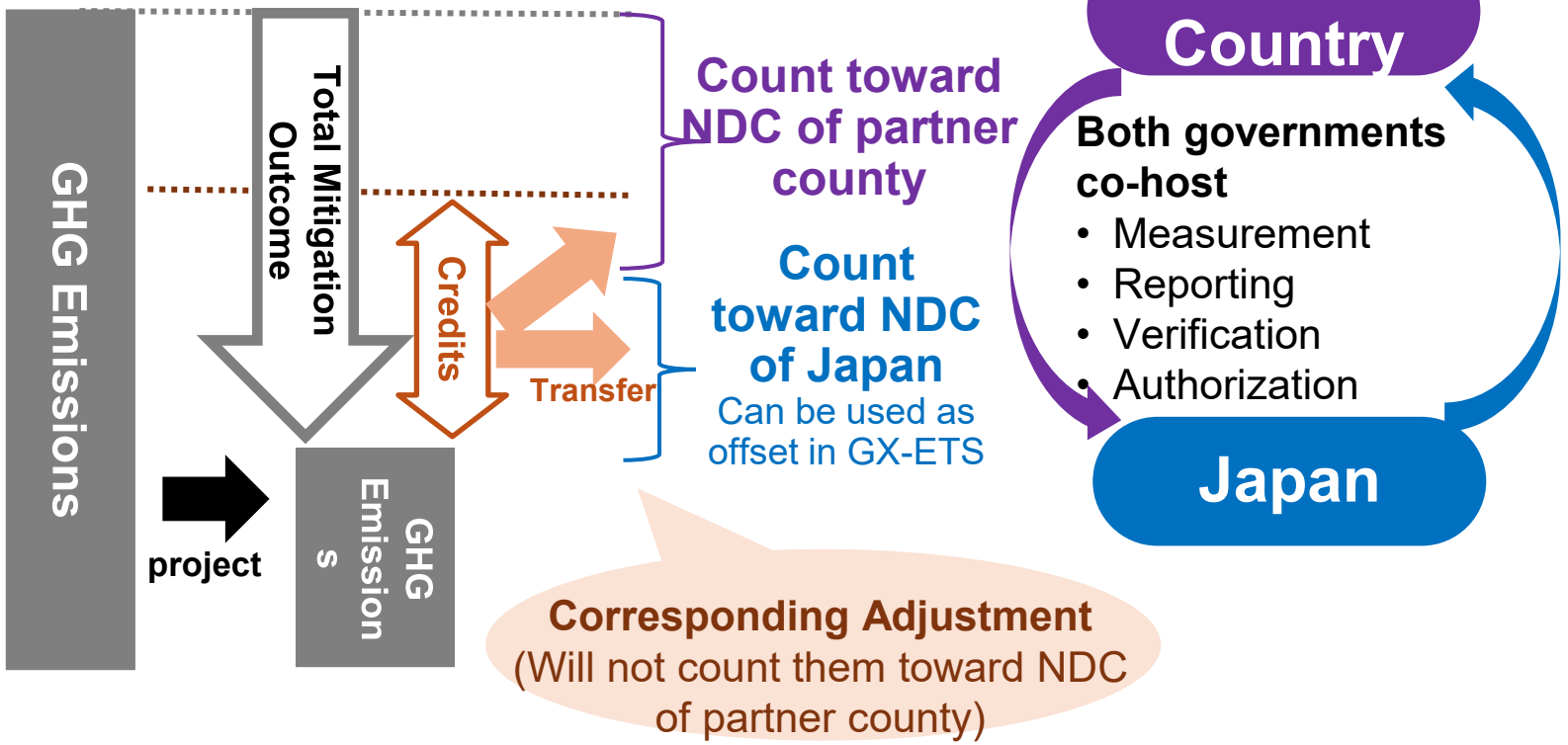


Overview of Joint Crediting Mechanism (JCM)

JCM THE JOINT CREDITING MECHANISM

- **JCM is a carbon market tool** where **Japanese companies and government cooperate with mitigation activities in partner countries** (30 as of Today).
- Among total mitigation outcomes, both governments **conservatively calculate, authorize and share JCM credits** between the companies/countries in proportion to their contributions, in line with **Article 6 of Paris Agreement**.
- **JCM incentivizes Japan's investment** in decarbonization projects bringing various benefits including achievement of NDC and sustainable development.

Mitigation outcome and its transfer



Decarbonization projects invested by Japan


Renewable


Energy Saving


Waste


Forestry


Agriculture※


CCS※

※ under development phase

List of JCM 30 partner countries as of May 2025

※Numbers are in order of signing

JCM THE JOINT CREDITING MECHANISM

Eastern Europe

21. Moldova
29. Ukraine

East Asia, Central Asia, Caucasus

1. Mongolia:11 projects
20. Azerbaijan
22. Georgia
24. Uzbekistan
27. Kyrgyz: 1 project
28. Kazakhstan

Africa

3. Ethiopia
4. Kenya: 5 projects
18. Senegal: 1 project
19. Tunisia: 4 projects
30. Tanzania

Middle East

13. Saudi Arabia: 3 projects
26. UAE

Latin America

9. Costa Rica: 2 projects
12. Mexico: 5 projects
14. Chile: 16 projects

Southeast Asia, South Asia, Oceania

2. Bangladesh: 5 projects
5. Maldives: 4 projects
6. Viet Nam: 48 projects
7. Laos: 6 projects
8. Indonesia: 56 projects
10. Palau: 7 projects
11. Cambodia: 7 projects
15. Myanmar: 8 projects
16. Thailand: 54 projects
17. Philippines: 21 projects
23. Sri Lanka: 3 projects
25. Papua New Guinea: 1 project

JCM Global Partners Meeting

JCM THE JOINT CREDITING MECHANISM

(reference) More than 250 JCM projects with over 3 billion USD of investment

JCM THE JOINT CREDITING MECHANISM

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,

Amorphous transformers in power distribution, Yuko-Keiso, Vietnam

Waste

Power Generation with Methane Gas Recovery System, NTTDATA, Mexico

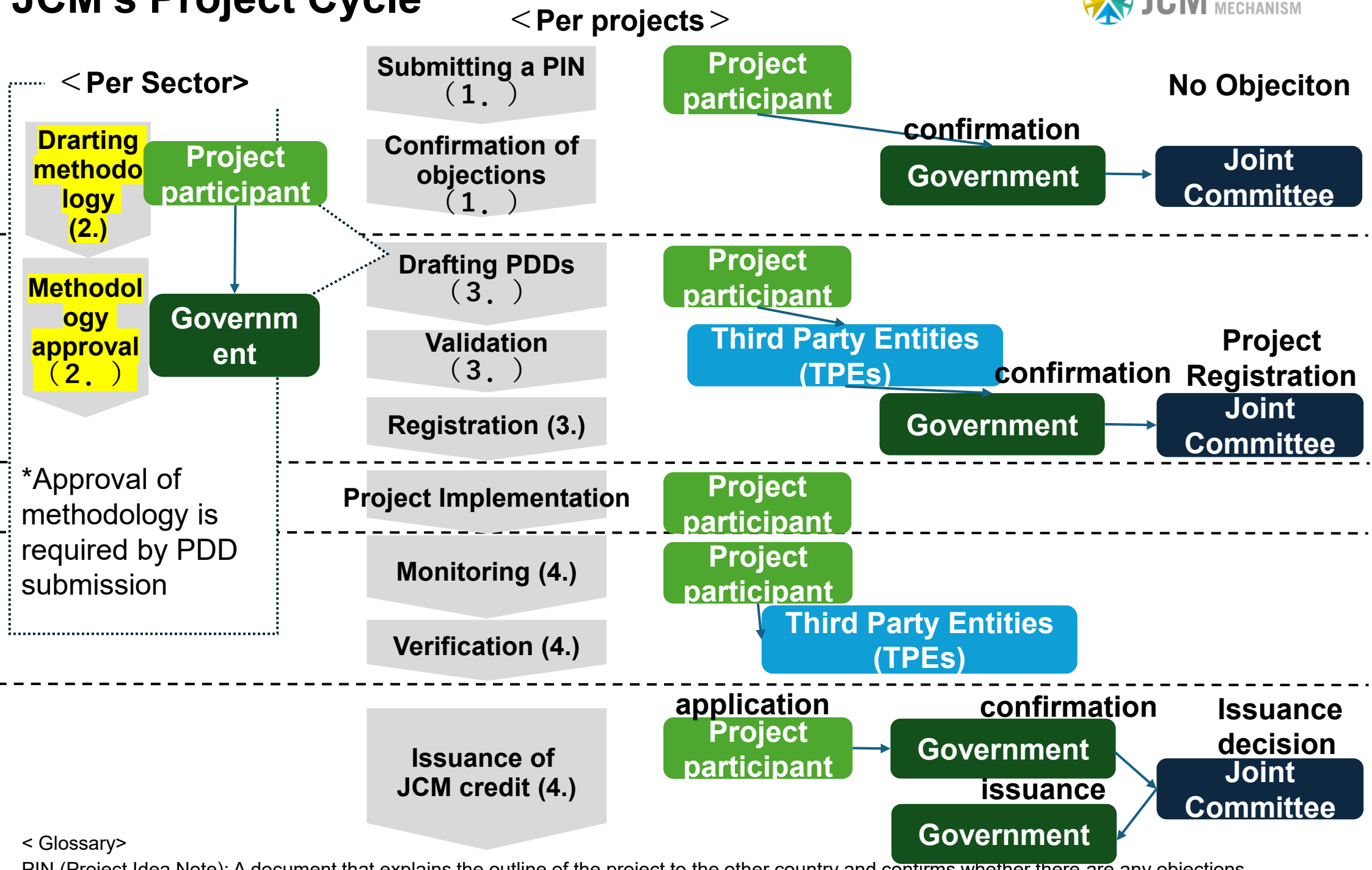
Waste to Energy Plant, JFE engineering, Vietnam

Transport

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

2. JCM project cycle in line with Article 6 of the Paris Agreement

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.

JCM to be consistent with Paris Agreement

- JCM is to be in consistent with Article 6 which prescribes for the use of emissions reductions realized overseas towards national emissions reduction targets.

1. **Conservative calculation of credits** using reference emissions below BaU emissions
2. Both sides **authorize transfer and use of JCM credits**
3. **Avoid double counting** by corresponding adjustment
4. Evaluate contribution to **sustainable development**
5. **Reporting to UNFCCC**

Updated of JCM Rules and Guidelines

We will revise rules and guidelines to operationalize the JCM consistent with Article 6 that enable us to authorize JCM credits as ITMOs(Internationally Transferred Mitigation Outcomes).

1. Crediting period
   (e.g. fixed 10 years, or renewable 5 years, max 15 years)
2. **Guidelines for SDIP and SDIR*A6 related**
   =Sustainable Development Implementation Plan and Report
3. **Project Idea Note (PIN)**
4. Decision on credit allocation at the project registration
5. **Authorization** *A6 related
6. **Reference emissions** taking into account the **latest NDC** of a partner country *A6 related
7. The latest ISO (14064-2, 14064-3 and 14065)

Adoption of Article 6 ready R&G (As of June 1st)

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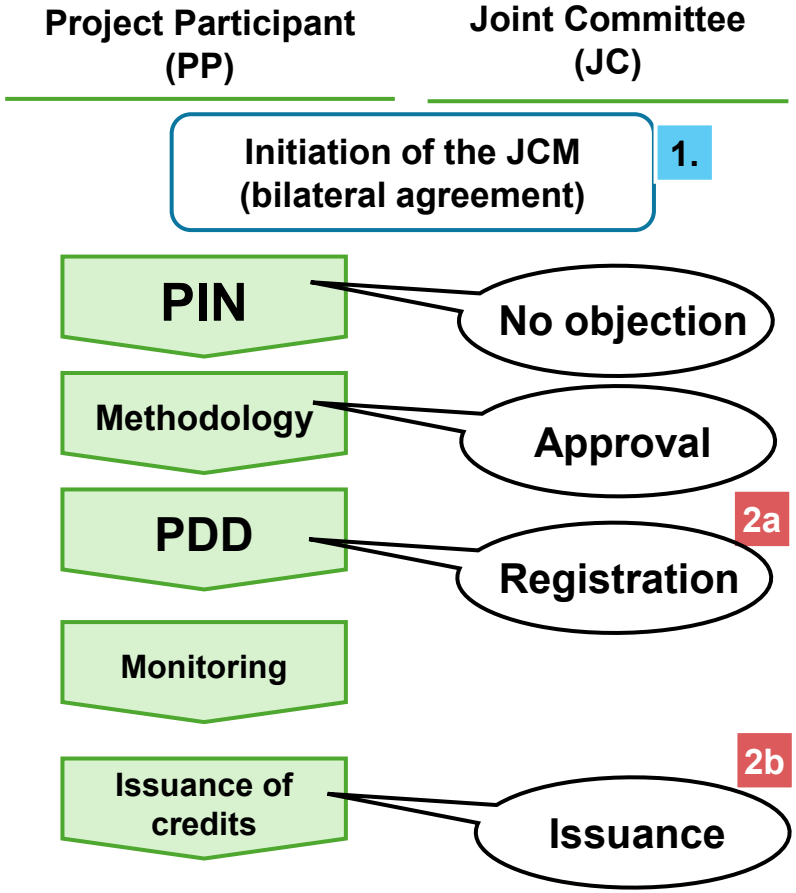
Country	Adoption (mm/yyyy)
Mongolia	
Bangladesh	
Ethiopia	
Kenya	
Maldives	
Viet Nam	
Laos	
Indonesia	Dec. 2024
Costa Rica	
Palau	

Country	Adoption (mm/yyyy)
Cambodia	
Mexico	
Saudi Arabia	
Chile	
Myanmar	
Thailand	Sep. 2024
Philippines	
Senegal	May 2024
Tunisia	Jun. 2023
Azerbaijan	

Country	Adoption (mm/yyyy)
Moldova	Sep 2024
Georgia	Jan 2024
Sri Lanka	Oct 2023
Uzbekistan	Feb. 2025
PNG	Mar. 2025
UAE	
Kyrgyz	May. 2025
Kazakhstan	Jan. 2025
Ukraine	
Tanzania	

Authorization of JCM credits can be simple

- "Authorization" is an act by Parties of **authorizing the use of ITMOs from a cooperative approach** as stipulated in Paris Agreement.
- Japan proposes efficient **authorization arrangements to enhance foreseeability** for private companies as **JCM cycle covers careful examination** enough for A6 authorization



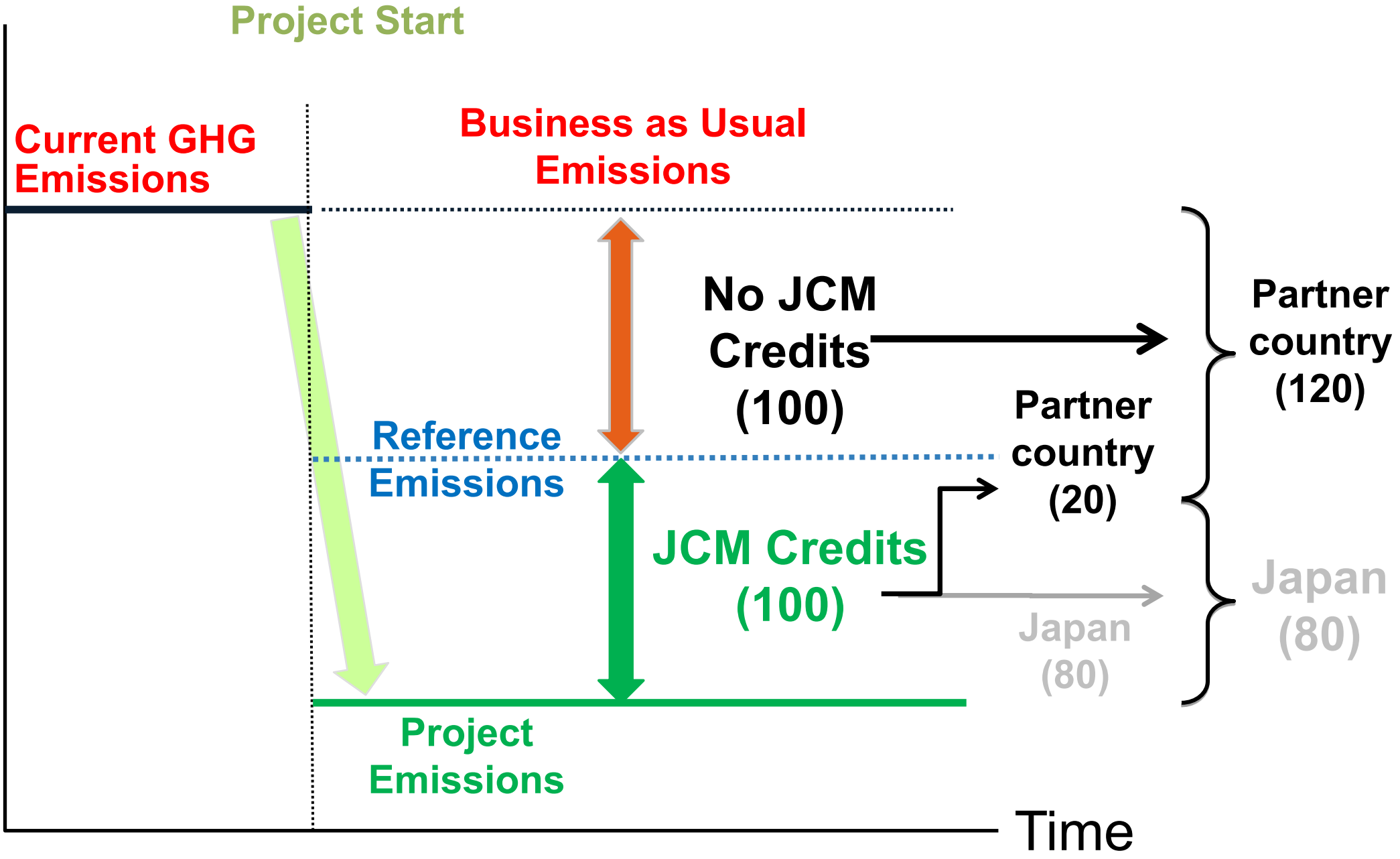
1. Authorization of JCM as a cooperative approach	
What	Authorization of JCM, incl authorization process
When	At the time of signing of MoC
Report	Copy of authorization attached to an initial report

2a. Authorization of estimated ITMOs from each project	
What	the expected quantity of ITMOs, entities, etc.
When	At the time of project registration
Report	Attachment to the 1. authorization

2b. Authorization of final quantity of ITMOs	
What	Confirmation of final quantity of ITMOs and period already authorized at 2a. Authorization
When	At the time of issuance of JCM credits
Report	Attachment to the 1. authorization

3. Evaluation and sharing of Mitigation Outcome

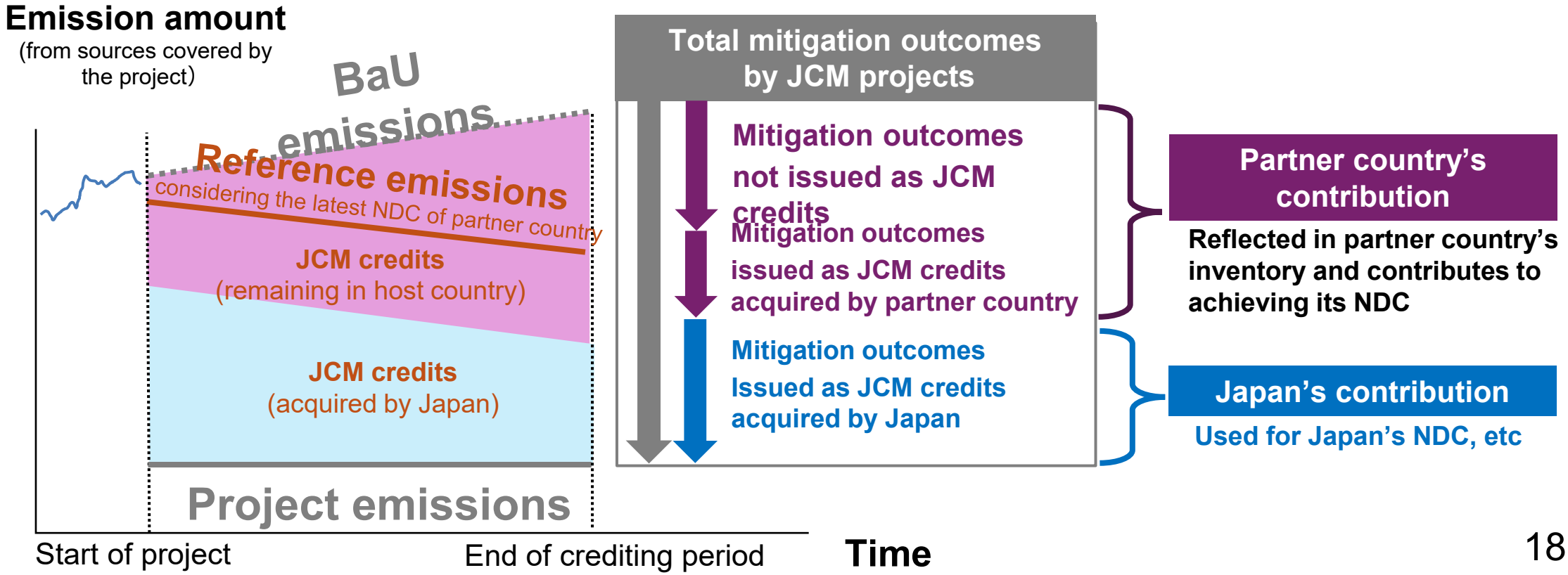
Benefit sharing among Partner Country and Japan



*Credit allocation will be determined at the registration of a JCM project by the Joint Committee taking into account contributions made by each side.

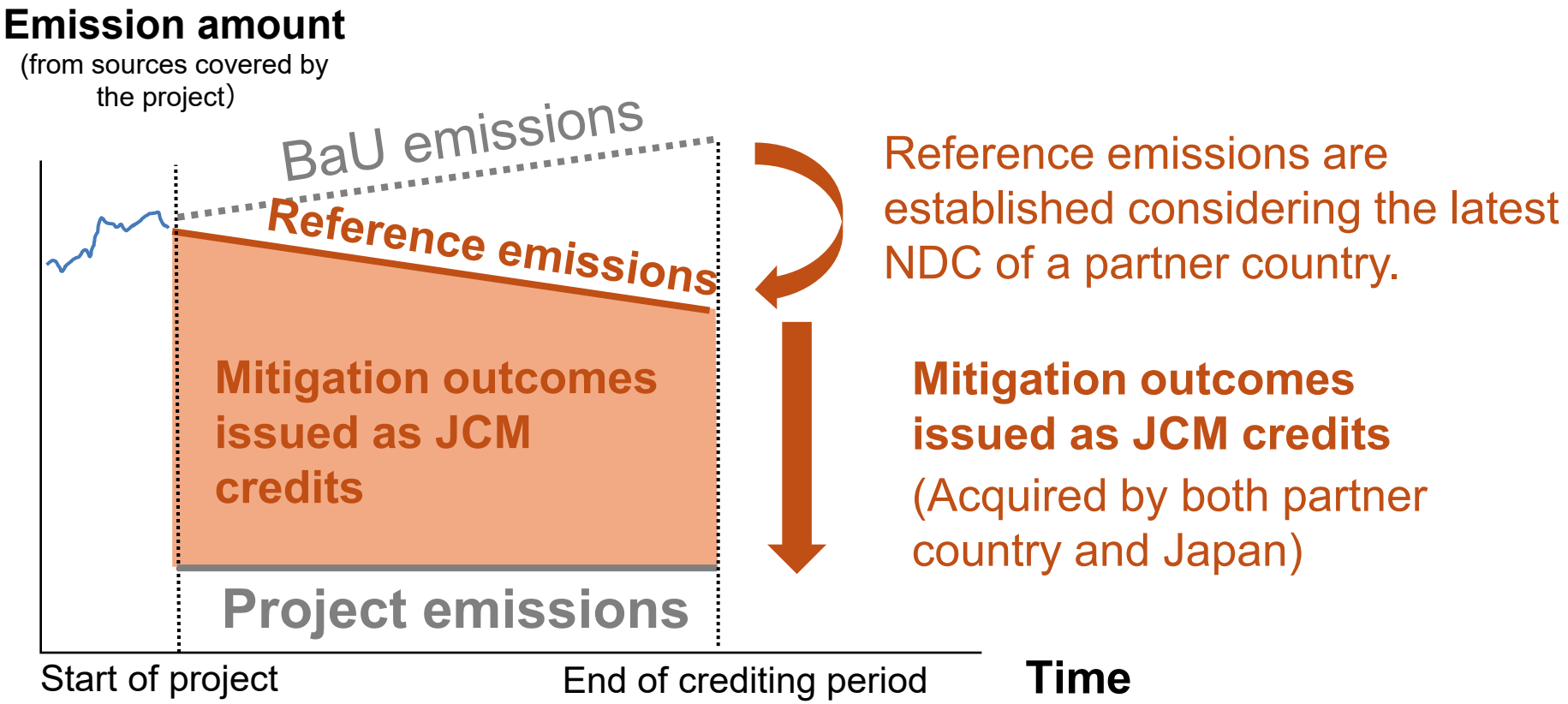
Evaluation and crediting of mitigation outcomes under the JCM

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. **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**.



1. Credits and reference emissions of JCM projects

- Mitigation outcomes issued as **JCM credits are the difference between reference emissions and project emissions**.
- Reference emissions are specified in methodologies **considering the latest NDC of a partner country**.
- This **conservative way** of evaluation of mitigation outcomes is **consistent with Article 6** and relevant guidelines.



[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)

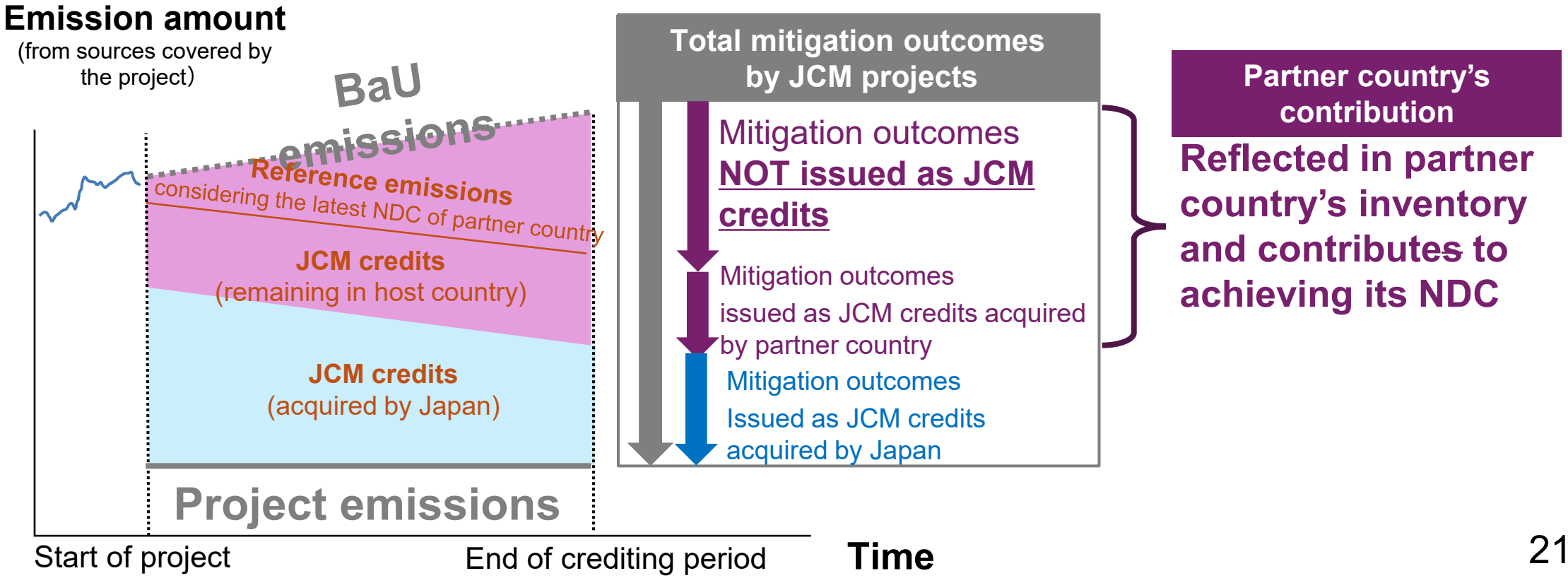
18. Each participating Party shall submit an Article 6, paragraph 2, **initial report** (hereinafter referred to as an initial report) no later than authorization of ITMOs from a cooperative approach or where practical (in the view of the participating Party) in conjunction with the next biennial transparency 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);

2. Total mitigation outcomes by JCM projects

- **Total mitigation outcomes by JCM projects** are the difference between BaU and project emissions, consisting of
  - **NOT issued as JCM credits**
  - Issued as JCM credits acquired by a partner country and Japan
- Mitigation outcomes NOT issued as JCM credits and issued as JCM credits acquired by a partner country will be **reflected in the partner country's inventory and contribute to achieving its NDC**

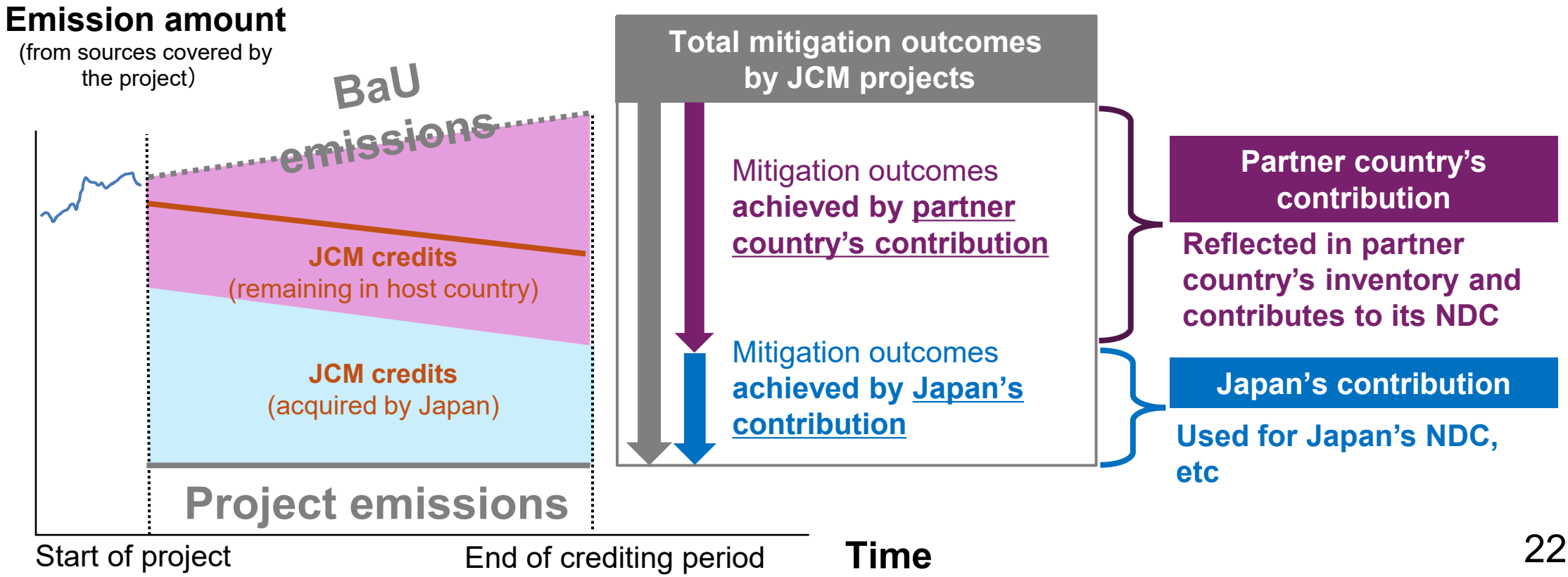


3. Allocation of total mitigation outcomes

- **Allocation of total mitigation outcomes by each government and project participants** will be consulted bilaterally, taking into consideration their **respective contributions to the JCM project.**

  <Examples of contribution>

  - **Private and public financial contributions**
  - **In-kind contributions**, such as **technical and operational contributions**.



4. Ongoing JCM projects

Sectors of JCM projects

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- 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%

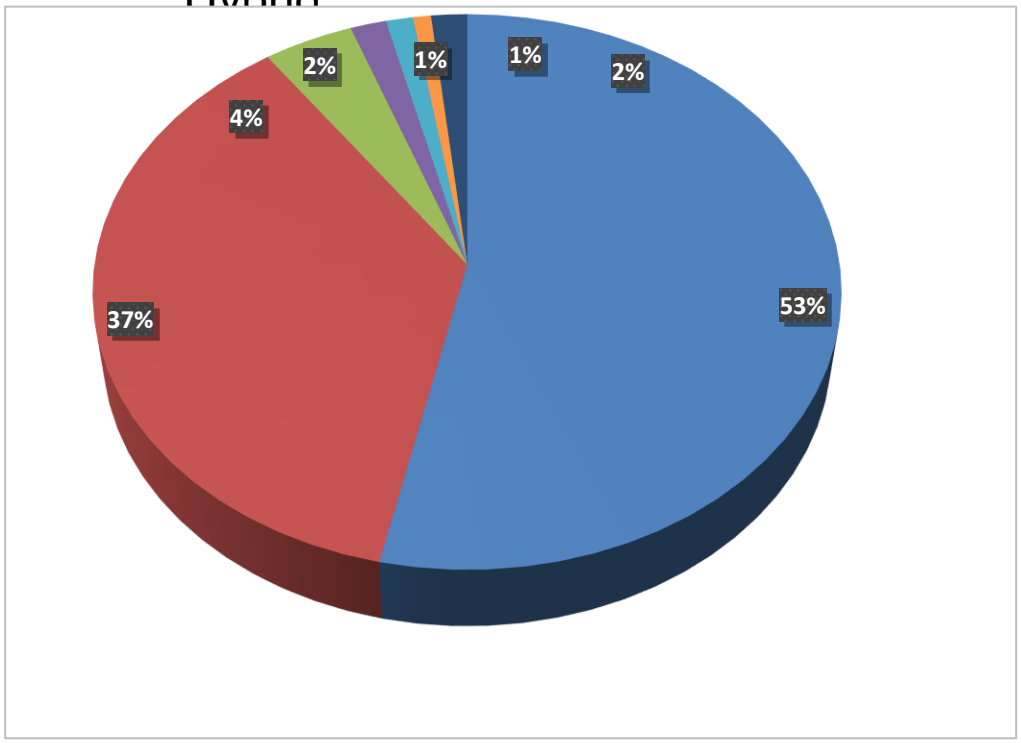
- Controlling slush and burn

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

More than 100 JCM methodologies Approved

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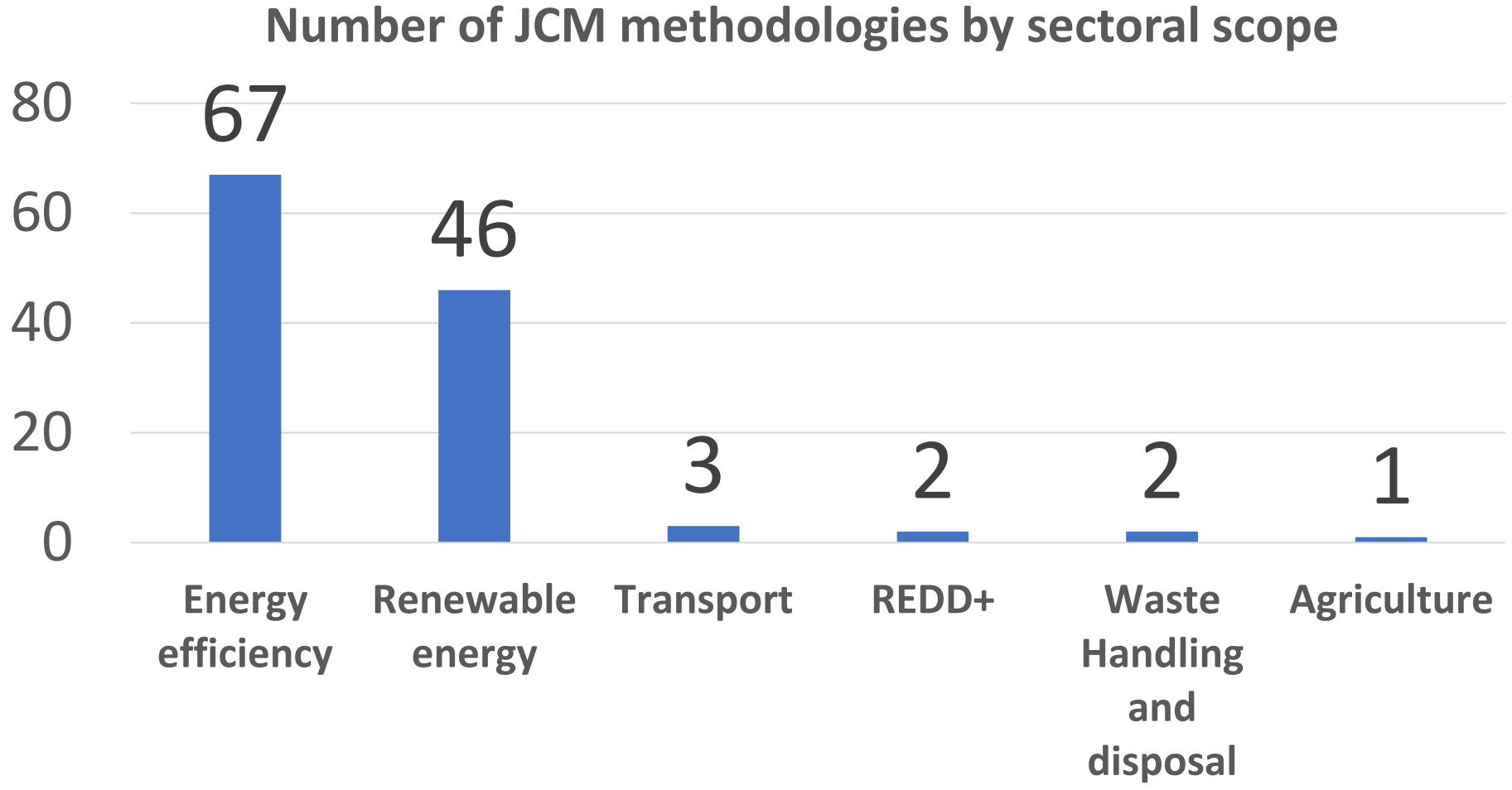
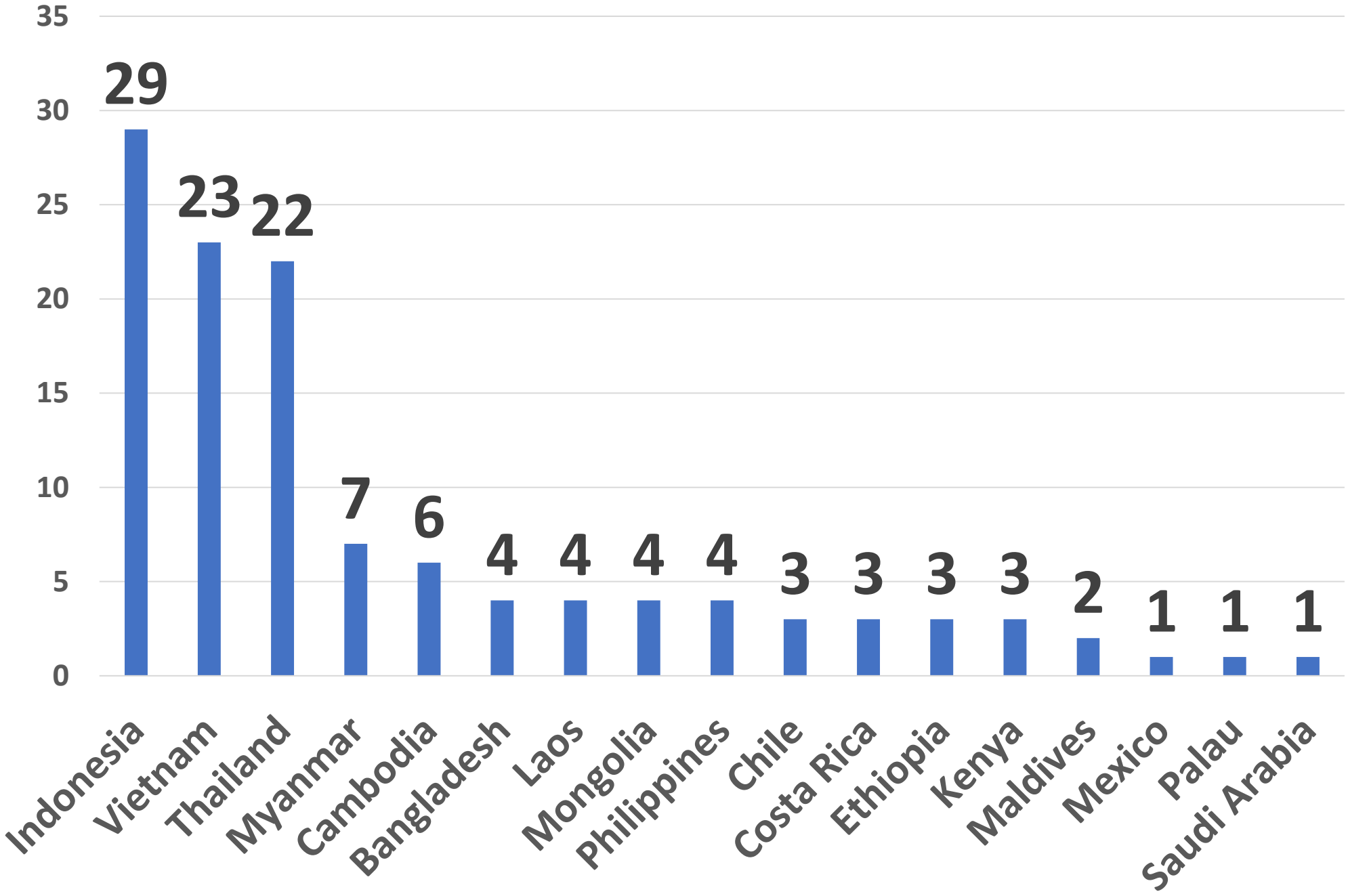
More than 100 JCM methodologies are already available:

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



Number of JCM methodologies by countries



5. Renewable Energy

20MW Biomass Power in Hau Giang Province

PP (Japan): erex Co.,Ltd., PP (Vietnam): Hau Giang Bioenergy Joint Stock Company

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- 20 MW biomass power burning rice husks from the adjacencies.
- Erex carried out the project with PECC2, a local EVN subsidiary
- Vietnam's first full-scale biomass power generation.
- A methodology and project registration is in preparation.

Capacity	20 MW
Fuel	Rice husk
GHG	46,000 t-CO2/year
Status	2025/4 COD

6. Waste-to-Energy

Waste-to-energy in Bac Ninh province

Project Implementer: (Japan side) JFE Engineering Co., Ltd. (Vietnam side)T&J Green Energy Company Limited

- Large-scale waste-to-energy facilities aim to properly dispose of waste, reduce methane gas at landfills, and reduce GHG emissions from grid electricity.
  This is a large capital investment compared to simple incineration and landfill and other renewable energy. It is realized with cost incentives through JCM credits (Japanese government subsidized on the premise of JCM credits)
- A methodology and project registration is in preparation.

Bac Ninh Province
(About 30km east of Hanoi City)
About 50 km southeast of Noi Bai Airport

Waste-to-energy incinerators

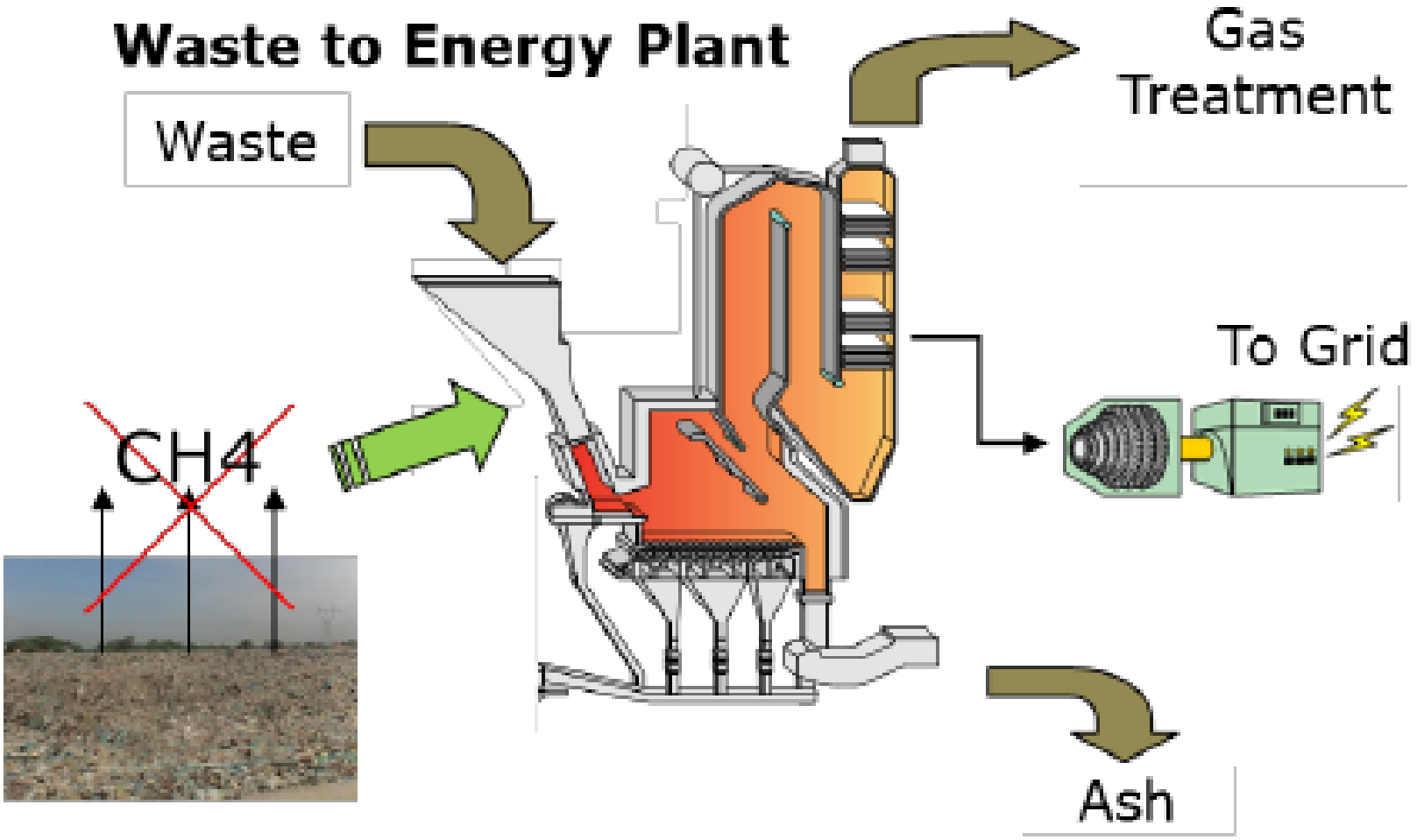
- Standard Kessel
  Made by Baumgarte (Germany)
- Processing 500 tons/day
  (General waste 350 tons/day
  Industrial waste processed 150 tons/day)

* 230 t/day of general waste that was disposed of in landfill, 120 t/day of general waste that was only incinerated and 150 t/day of industrial waste.

Expected GHG emission reductions
42,000 t-CO2/year

Waste to Energy projects

- Waste-to-Energy reduces GHG emissions in two ways.
  - Avoids emissions of methane associated with disposed organic waste in a disposal site.
  - Generate electricity displacing electricity generated using fossil fuels.



TPPAS Regional Legok Nangka

- Sarimukti landfill has reached its capacity limit and West Java Province is committed to reduce and stop open dumping and is planning to develop an environmentally-friendly modern waste treatment facility at provincial level.
- Legok Nangka Project is one of the 12 priority cities to implement WtE under Presidential Regulation No. 35/2018 and is registered as National Strategic Project (PSN)

GCA	**West Java Province Government**
Investor	**PT Jabar Environmental Solutions (PT JES)**
Capacity	Approx. 2000 ton per day
Waste Supply	From six municipalities (Bandung City, Cimahi City, Bandung Regency, Sumedang Regency, West Bandung Regency, Garut Regency)
Funding Scheme	PPP (Build-Operate-Transfer for a concession period of 20 years after COD)
Source of Income	• Tipping Fee (IDR/ton) from West Java Province and six municipalities • FIT (USD cents/kwh) from PLN
Procurement	Open Technology PPP Procurement
Basis of regulation	• Presidential Regulation No. 38/2015 on PPP; • Presidential Regulation No. 35/2018 concerning the Acceleration of WtE Installation

Current condition at Sarimukti Landfill (2024)

Current condition at Sarimukti Landfill (2024)

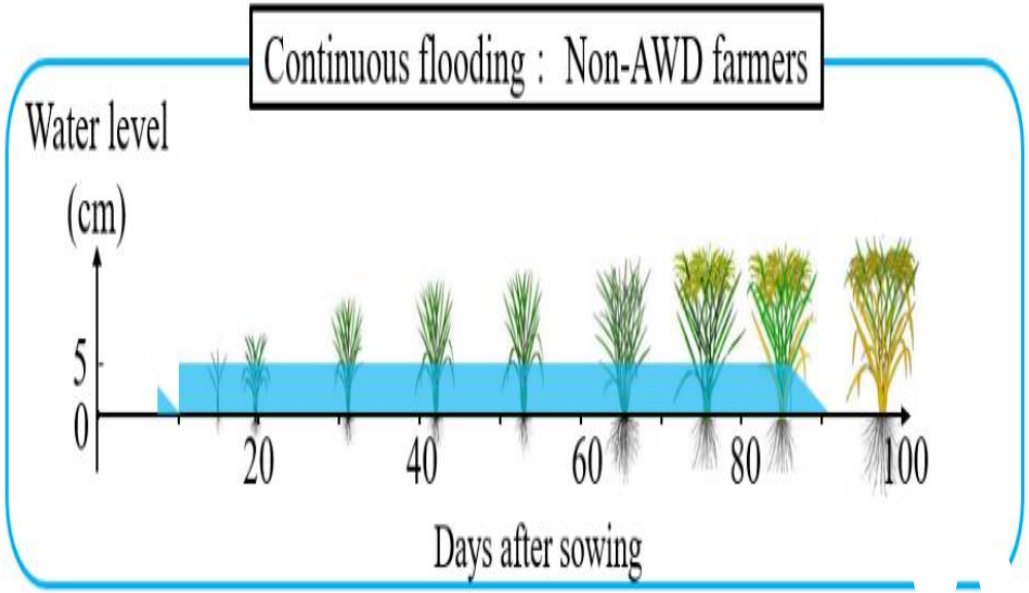
Sarimukti Landfill fire (August 2023)

Legok Nangka Project Site (2023)

7. Agriculture Sector:
AWD(Alternate Wetting and Drying)

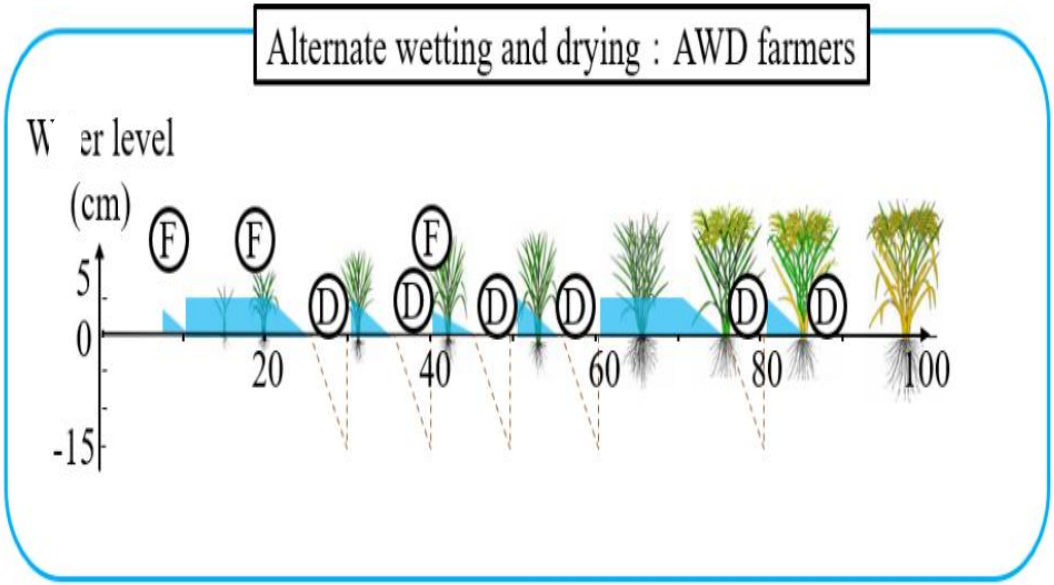
Alternate Wetting and Drying (AWD)

- Alternate wetting and drying (AWD) is a water-saving technology that paddy rice farmers reduce their water use in irrigated fields. Irrigation water is applied to flood the field a certain number of days after the disappearance of ponded water.
- AWD can reduce about 30% of GHG emissions from rice fields in general* contributing to sustainable agriculture by improving the income of local farmers.



Methane generation can be reduced by about 30% by falling into water.

In paddy fields, methane is generated by the action of anaerobic bacteria methanogenic bacteria from CO2 and acetic acid produced by decomposing organic matter contained in soil and fertilizer

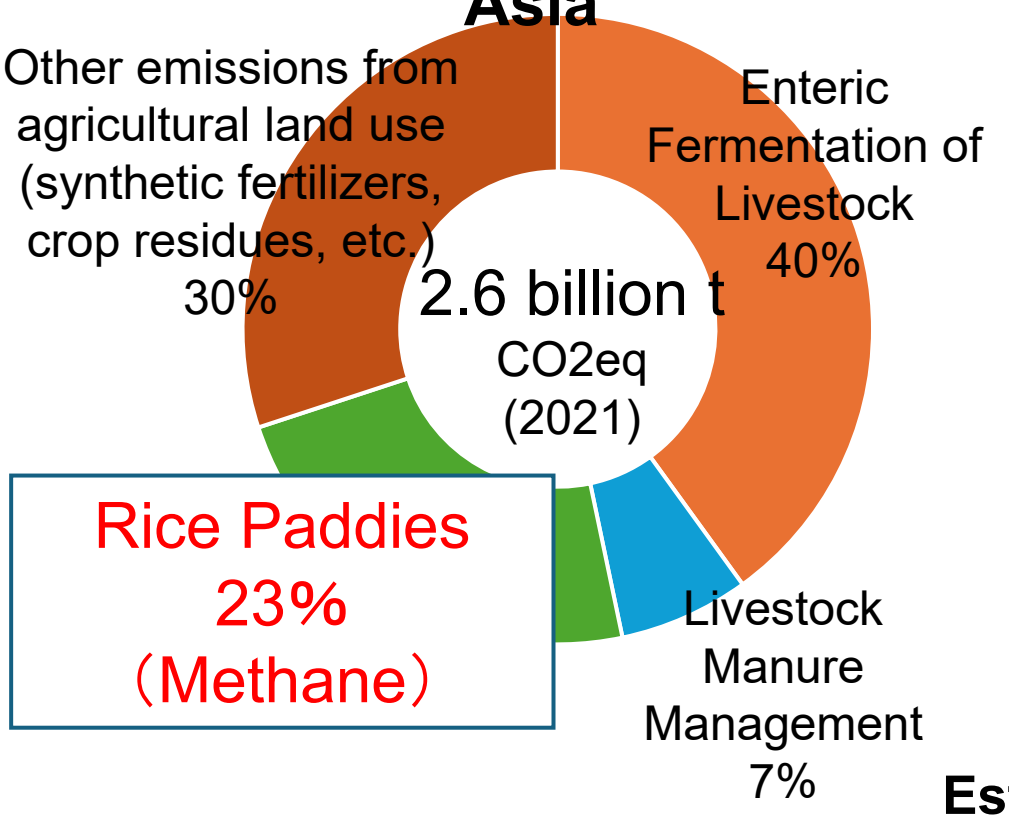


*Ai LEON and Taro IZUMI, JIRCAS, “Impacts of alternate wetting and drying on rice farmers’ profits and life cycle greenhouse gas emissions in An Giang Province in Vietnam” Journal of Cleaner Production, Volume 354, 2022

Methane reduction from rice paddies are important

- Agri-food systems have huge potential to mitigate climate change by reducing GHG emissions.
- Particularly in Asia, methane released from rice paddies accounts for over 20% of GHG emissions from agriculture.

GHG Emissions from Agriculture in Asia



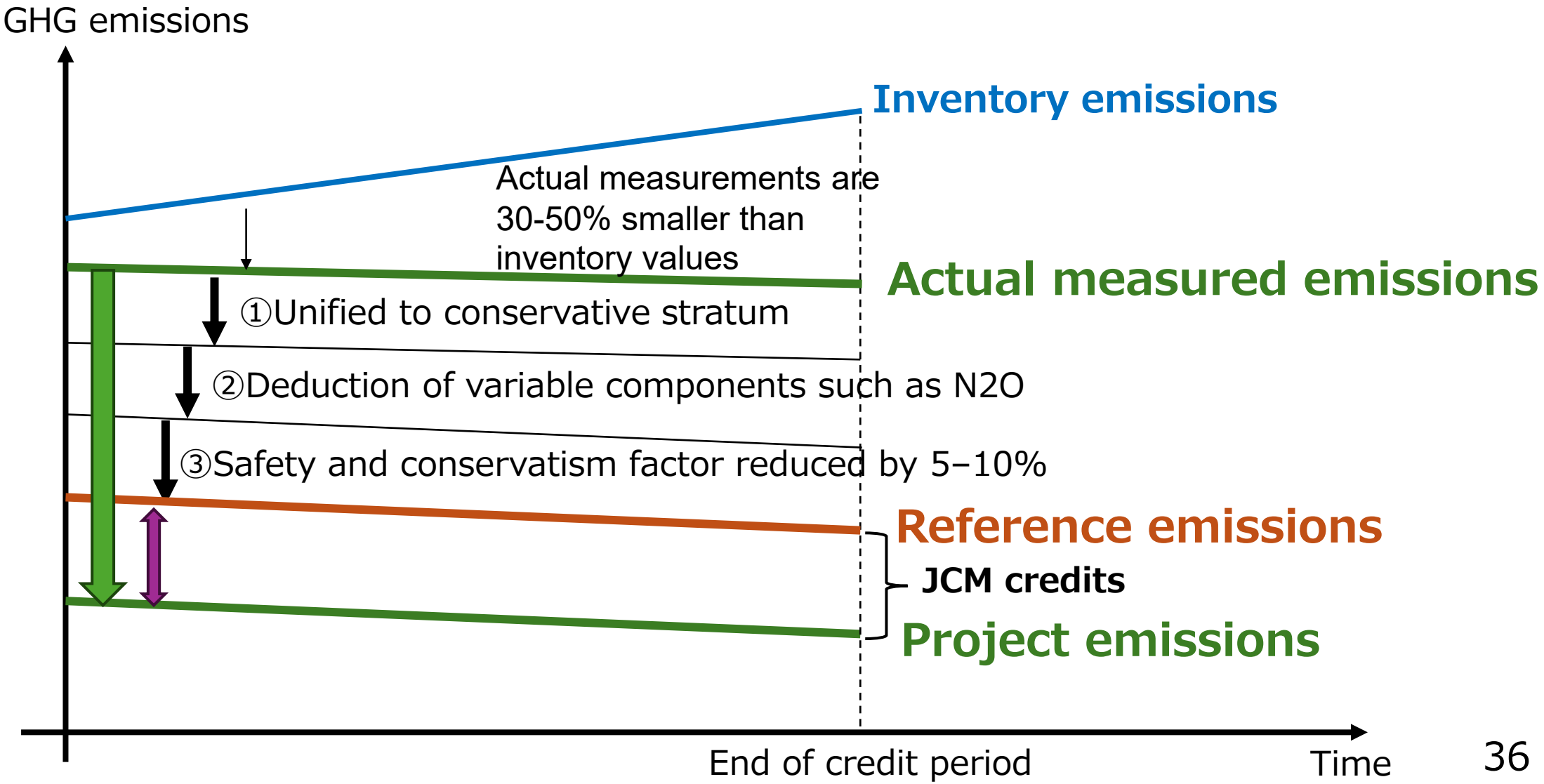
Country	GHG emissions from agriculture (t-CO2)	Methane emissions from rice paddies (t-CO2)
Philippines	66,210,000	45,010,000 **(68%)**
Vietnam	72,980,000	35,680,000 **(49%)**

Estimated by FAOSTAT (2021)

Estimated by FAOSTAT

Paddy methane reduction (AWD) methodology in the Philippines.

- Philippines and Japan Approved Methodologies on AWD in February 2025.
- Emissions are based on measurement and are highly reliable, such as defining falling water (both preventing yield decline and ensuring reduction), strictly classifying soils, and taking into account CO2 from N2O and drainage pumps.



8. Forestry and Land Use
REDD+/Afforestation/Reforestation

Forest sector under the JCM

REDD+

Afforestation
Reforestation

As a first step, to address forest-related specific issues (including technical issues for FREL/REL and risk of reversals, safeguards, and coordination between national/sub-national REDD+ and JCM-forest project), specific JCM rules and guidelines for forest sector is to be developed.

Example of REDD＋ Project in Cambodia

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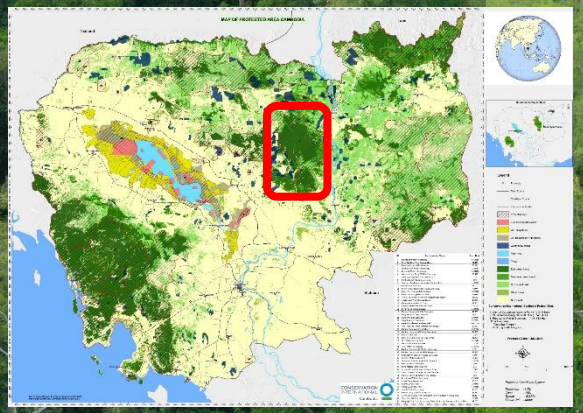
Project participants
Japan : MITSUI & CO., LTD
Cambodia : Cambodian Ministry of the Environment
*supported by Conservation International



REDD+:
Reducing emissions from deforestation and forest degradation

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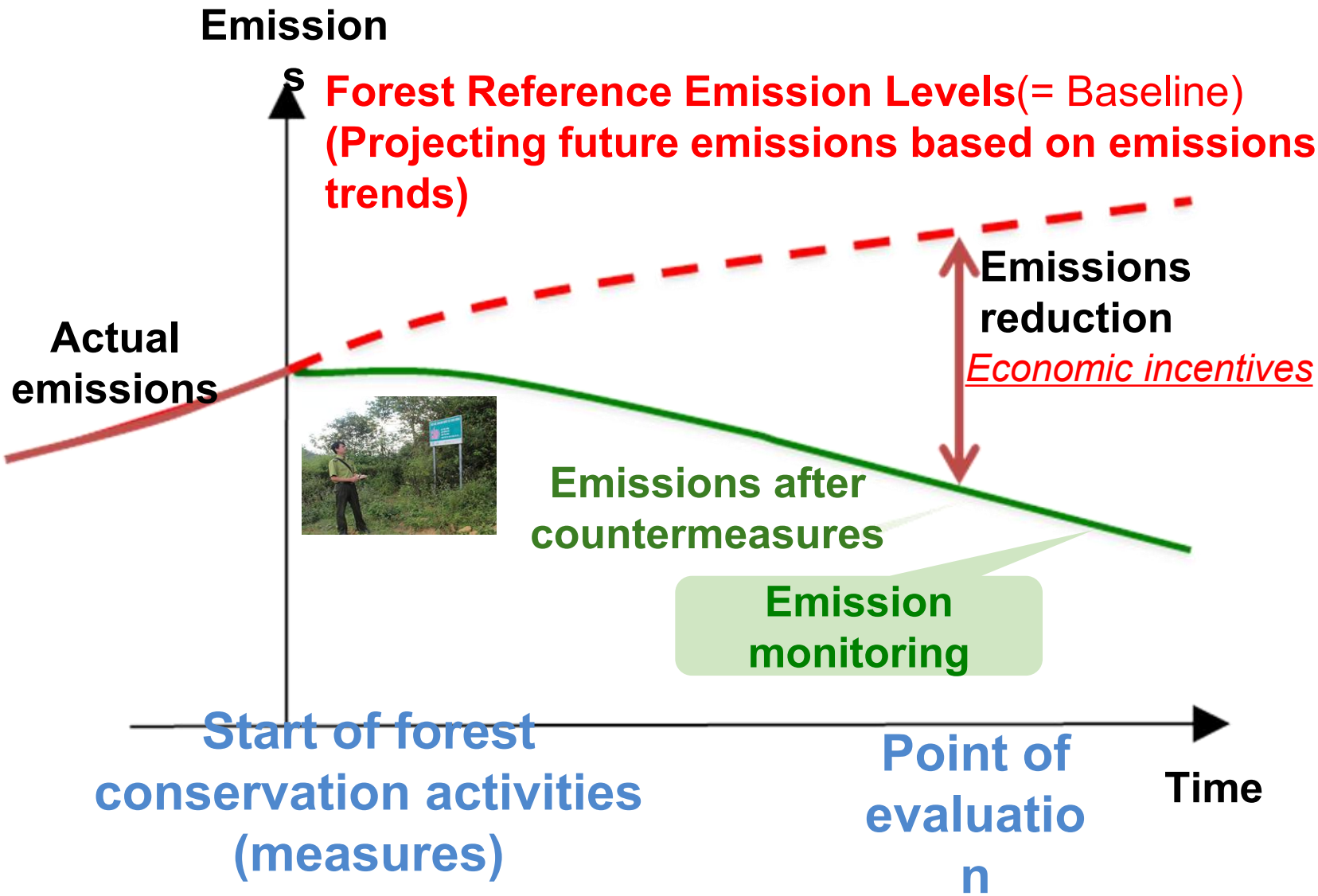


Sustainable peatland management

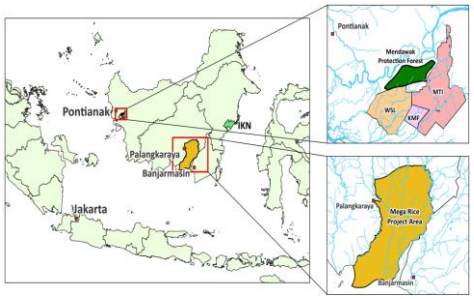
- Sumitomo Forestry planned to implement a project at the Ex-Mega Rice Project(EMRP) site using their water storage peatland management techniques developed in West Kalimantan.
- The project aims to restore the peatlands and make the devastated peatland available for reuse as forestry and agricultural land.

Stock-based water management for peatlands

（Sumitomo's peatland management area in West Kalimantan）

Sumitomo Forestry's peatland technology maintains groundwater levels, **prevents peat fires, and reduces CO2 emissions**. This management approach balances economic and environmental benefits by preserving the remaining forests.

Restoration of degraded peatlands



The goal is to achieve peatland restoration in EMRP by utilizing appropriate peatland management techniques, validating the technology, evaluating costs, and, in the future, promoting management techniques throughout Indonesia.

Investment Effectiveness

CO2 emission reductions from project implementation on 10,000 hectares of degraded peatland

→ **157,000 tCO2/year**

If their peatland management techniques could be implemented on 500,000ha of peatland for five years until 2030, this would amount to **18.3%** of the 2030 FOLU target.

Source:Enhanced NDC Indonesia

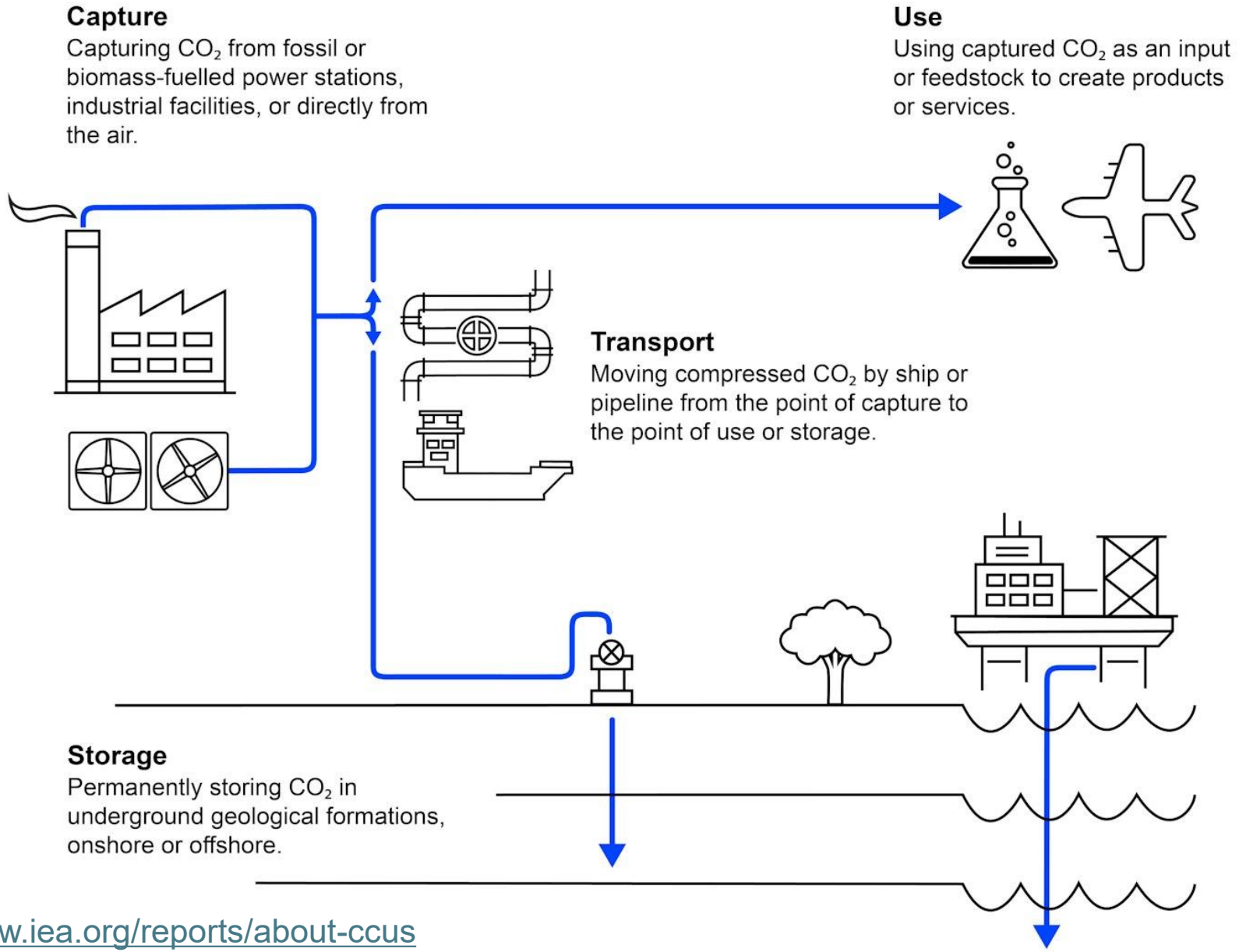
9. Removal of CO2

CCS (Carbon Capture and Storage)

CCUS(Carbon Capture Utilization and Storage)

The JCM Guidelines for CCS/CCUS in Indonesia

- The guidelines for accounting and monitoring emission reductions CCS/CCUS were adopted in the Joint Committee in December, 2024 in Indonesia.



https://www.iea.org/reports/about-ccus

Overview of additional requirements for CCS and CCUS under the JCM in Indonesia (1/3)

1. Crediting Period	Added the credit period for CCS projects. (the **crediting period for CCS and CCUS is from the start of injection to the end of injection**)
2. Participants' ability to monitor injected CO2	Added the requirement that project **participants have access to the project site and data** in order to carry out monitoring activities.
3. Addition of a new sectoral scope	Clarified that CCS and CCUS *is included in the sectoral scope.
4. Eligible project	Clearly state that CCS and CCUS are included.

*In the domestic laws and regulation in Indonesia, CCUS includes EOR (Enhanced Oil Recovery) and EGR (Enhanced Gas Recovery). This is confirmed in the JC meeting report and the Glossary.

For details on the guidelines, please refer to the JCM website:
https://www.jcm.go.jp/id-jp/rules_and_guidelines

Overview of additional requirements for CCS and CCUS under the JCM in Indonesia (2/3)

5. Net emission reduction for CCS and CCUS Projects	Added "3 key concepts" to ensure net emission reductions (calculating the amount of emission reductions to be credited more conservatively than the actual reductions). 1) Establish reference emissions lower than BaU. 2) Establish project emissions higher than actual emissions. 3) Multiply emissions reduction by discount factor.
6. Project Lifecycle and Methodology	Clarified that the **project termination period is divided into the termination preparatory period and the post-project termination period.** The criteria for project completion are set by the methodology. Also clarified that monitoring is carried out in accordance with the laws and regulations of the host country.
7. GHG sources of CCS and CCUS projects	➢ **GHG emissions from fossil fuel combustion, electricity consumption associated with project activities, and leakage from project facilities may included.** ➢ **Emissions from combustion of fossil fuels produced by using EOR and EGR are not included.**

For details on the guidelines, please refer to the JCM website:
https://www.jcm.go.jp/id-jp/rules_and_guidelines

Overview of additional requirements for CCS and CCUS under the JCM in Indonesia (3/3)

8. Project termination period monitoring	Provided the criteria for project termination as well as requirements for project termination preparatory monitoring and post termination monitoring.
9. Response to risk of reversal	**Project participants subtract a portion(in principle 3%) of credits from issued JCM credits as a reserve**. Provided the processes to be followed in response to leakage after the completion of CO2 injection.
10. Reference documents	Referred ISO 27914, which provides recommendations for the effective storage of CO2 in underground reservoirs, and ISO 27916, which quantifies the CO2 to be stored in CO2-EOR projects, as both being international standards for CCS.

For details on the guidelines, please refer to the JCM website:
https://www.jcm.go.jp/id-jp/rules_and_guidelines

10. Japan’s policies to promote decarbonization projects under the JCM

1. Japan has submitted new NDC in February

JCM THE JOINT CREDITING MECHANISM

2030 100million ton by JCM

*Cumulative total

2040 200million ton by JCM

*Cumulative total

Japan's Nationally Determined Contribution (NDC) 18th February 2025

(g) The intention to use voluntary cooperation under Article 6 of the Paris Agreement

Japan will establish and implement the Joint Crediting Mechanism (JCM) in order to quantitatively evaluate the contributions of Japan to greenhouse gas emission reductions and removals which are achieved through the diffusion of, among others, decarbonizing technologies, products, systems, services, and infrastructures as well as through the implementation of measures in global south countries and others, and to use such contributions to achieve Japan's NDC. With these efforts, through public-private collaborations, Japan aims to secure accumulated emission reductions and removals at the level of approximately 100 million t-CO2 by FY 2030 and approximately 200 million t-CO2 by FY 2040. Japan will appropriately count the acquired credits to achieve its NDC.

2. Japan will launch domestic compliance market

JCM THE JOINT CREDITING MECHANISM

GX ETS will start in 2026

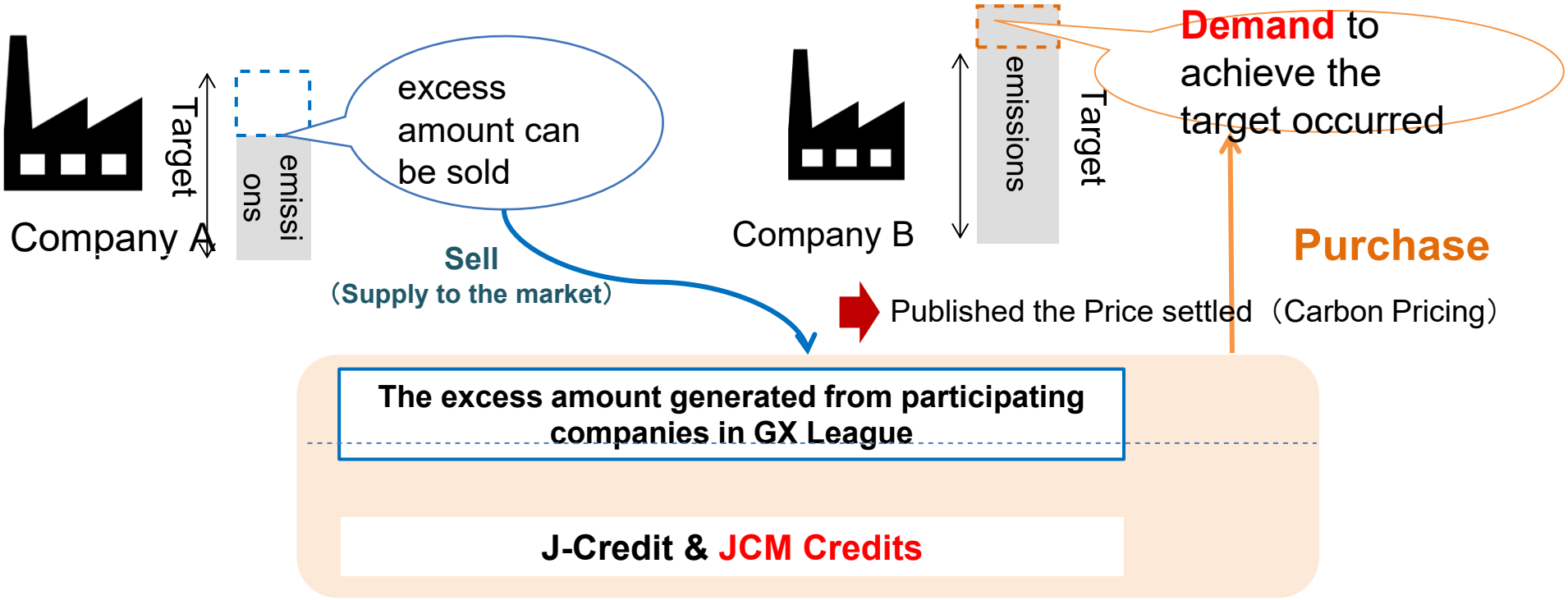
- Mandatory ETS
- Can use compliance credits

Creating huge demand for JCM

JCM Credits acquired by Japan is used for achievement of emission reduction target

- JCM credits acquired by Japan can be
  - counted toward achievement of NDCs.
  - used **for the achievement of companies' compliance targets under GX-ETS (will start in 2026)**

GX-ETS and Carbon Credit Market



3. JCM Agency (JCMA) has started operation

JCM THE JOINT CREDITING MECHANISM

The Government of Japan launched new agency covering ALL the operation of JCM in April 2025

- *One stop focal point on behalf of Japanese government to implement and facilitate the JCM, in charge for ensuring environmental integrity and transparency of the JCM*

JCMA Overview

- In accordance with the revised Act on Promotion of Global Warming, the Global Environment Centre was appointed as the designated JCM Implementation Agency (JCMA).
- The JCMA carries out operation of the JCM, from project registration to credit issuance, including consultation with partner countries, on behalf of the competent ministers (Environment; Economy, Trade and Industry; and Agriculture, Forestry and Fisheries), and also takes actions for the effective implementation of JCM projects.

Name:	JCM Implementation Agency (JCMA)
Address:	Hongo Ozeki Bldg., 3-19-4 Hongo Bunkyo-ku, Tokyo
Board Members:	Senior Executive Director: Yuji KIMURA, Secretary-General: Yuji MIZUNO
Structure:	JCM Secretariat Gr., Project Management Gr., Public Relation Team, Planning & Accounting Gr.

(As of April 1st, 2025)

- Advantages of establishing the JCMA
  - ✓ Ability to coordinate with multiple countries at the same time as an organisation with the same authority as the government.
  - ✓ Streamlined and accelerated process by making it a one-stop service for issuance JCM credit
  - ✓ Focused allocation of government staff resources
- Main activities of the JCMA
  - (1) Carrying out administrative management of the JCM scheme
  - (2) Operation of the JCM Registry
  - (3) Supporting procedures for JCM projects and operation of the JCM management platform
  - (4) Management of the information dissemination website
  - (5) Consultation and public relations for project development

JCMA Activities

- The JCMA conducts the works in line with each step of the JCM as below.
  The JCMA also supports and facilitates the JCM overall.

Project development → **Project proposal** → **Project registration** → **Credit issuance**

(1) Carrying out administrative management of the JCM scheme

- ➢Process applications for various JCM procedures (designation of third-party entities (TPEs), approval of methodologies, project registration, credit issuance), as the secretariat for the Joint Committee.
- ➢Develop new and revised JCM rules and guidelines.
- ➢Coordination with competent authorities of the JCM partner countries and organizing the Joint Committees.
- ➢Participate in consultations between the Government of Japan and new partner country candidates on the establishment of the JCM.

(2) Operation of the JCM Registry

- ➢Open accounts, transfer credits, issue certificates of the recorded, disclose information, etc.

(3) Supporting procedures for JCM projects and operation of the JCM management platform

- ➢Support the preparation of project idea notes (PINs), methodology development, project registration, and credit issuance.
- ➢Operate the JCM management platform to manage the progress of each project towards the issuance of JCM credits.

(4) Management of information dissemination website

- ➢Management and operation of the JCM official website, as well as websites that provide the latest information on the JCM.

(5) Consultation and public relations for project development

- ➢Provide consultation and public relations services for businesses, and organize symposiums and events at domestic and international fora.

JCMA Organisational Structure

Oversees all JCM-related administrative work

GEC Senior Executive Director
JCMA General Manager
Yuji KIMURA

Senior Executive Director

Secretary-General

Oversees administrative work under the Senior Executive Director

GEC Executive Director
JCMA Secretary-General
Yuji MIZUNO

Assisting the Secretary-General

Deputy Secretary-General

JCM Secretariat Group	Project Management Group	JCM Public Relation Team	Planning and Accounting Group
7 staff	9 staff	21 staff	9 staff
Activity (1)(2)(4) Carrying out administrative management of the JCM scheme, including coordination with JCM partner countries. Operation of the JCM Registry and management of information dissemination website.	**Activity (3)** Supporting procedures for JCM projects and operation of the JCM management platform	**Activity (5)** Consultation and public relations for project development	**Activity (2)&(4)** Supporting operation of the JCM Registry and information dissemination website

11. Financial programs by Japanese Government

Financial programs by Japanese Government

	Programme	Type of support
Ministry of the Environment	Subsidy Programme for the JCM Facility Introduction	Subsidy
	Japan Fund for the JCM (JF JCM) - managed by ADB	Grant
	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

1. Subsidy Programme for the JCM Facility Introduction by MOEJ

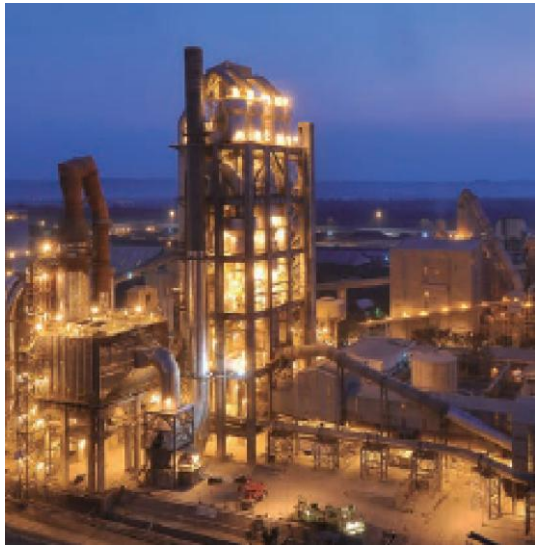
JCM THE JOINT CREDITING MECHANISM

Government of Japan

Subsidies to investment cost (**up to half**)

2025 budget
13 billion JPY
85 million USD

International consortiums
(including Japanese entities)



METI's support for the JCM partner countries

JCM THE JOINT CREDITING MECHANISM

- METI supports the introduction of advanced decarbonizing technologies though Demonstration Projects which contribute to the decarbonization of the JCM partner countries.
- The project cost burdened by Japanese side is 100% supported by Japanese government (METI/NEDO).

Examples of past projects

Optimization in petroleum refining plant, Yokogawa Electric Corp. Indonesia

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

Total: 11 projects in 6 countries (As of April 2025)

JCM Feasibility Study by METI

METI Ministry of Economy, Trade and Industry

Scope:

- Consider basic elements of the demonstration (technology, project site, stakeholders, etc.)
- Establish the basis of JCM methodology for quantification of the GHG emission reduction
- Study the possibility of dissemination of the introduced technology
- Project cost: 15 million JPY (approx.103 thousand USD) per study

Project period: Up to 1 year

Assumed technical areas: Energy efficiency with IoT, EMS, Renewable energy, CCS/CCUS, Hydrogen/Ammonia, etc.

JCM Demonstration Program by NEDO (*)

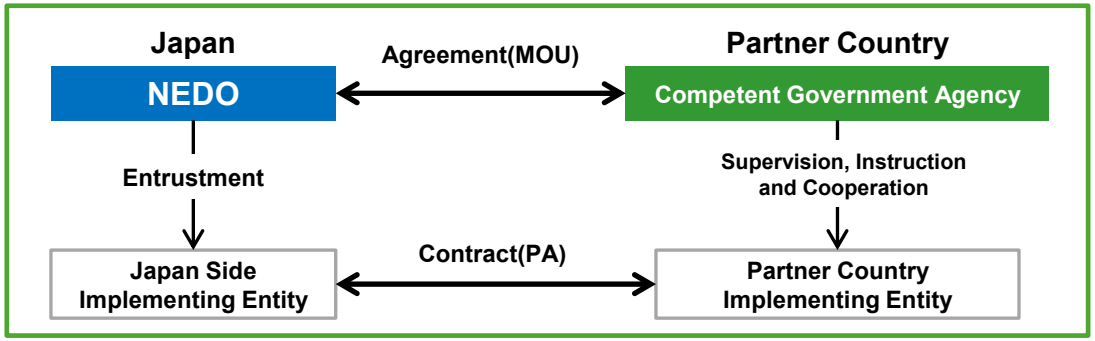
NEDO

Scope:

Demonstrate and verify the effectiveness of advanced decarbonizing technology:

- Introduction of relevant facilities and systems, and conduct demonstration
- Quantification of GHG emission reduction effectiveness
- JCM procedure toward issuance of JCM credits
- Budget for FY 2025: 1.2 billion JPY (approx. 8.3 million USD)

Project period: Pre-demonstration stage: up to 1 year
Demonstration stage: up to 3 year
Follow-Up Project stage: up to 2 year



* NEDO = New Energy and Industrial Technology Development Organization

Summary

JCM for Vietnam and Japan

1. **Both GOVs cooperates to speed/scale up JCM project development to stimulate more investment beneficial for Vietnam and Japan.**
2. **JCM can be a leading example for carbon market development in Vietnam.**

- **JCM's tangible benefits to Viet Nam is contribution to socio-economic development of Viet Nam and NDC** with decarbonization technology.
  = JCM credits acquired by Japan is only a part of total emission reductions and the rest contributes to Vie Nam's NDC

- **MOEJ has subsidized about 50 projects** in Viet Nam inviting **private investment & private sector participation.**
  = demonstration of MAE's support to invite private sector engagement

- **There is a long waiting list of JCM project pipelines .**