Institutional and governance arrangements for the Joint Crediting Mechanism (JCM) in Japan

“PMI Technical Workshop
Country Experiences on Using International Carbon Markets to Achieve NDC Targets”
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Maiko UGA

Ministry of the Environment
Government of Japan
Implementation of the Article 6 rules into domestic rules

Plan for Global Warming Countermeasures (Cabinet decision in October 2021)

- Based on Act on Promotion of Global Warming Countermeasures
- Mid-term target: 46.0% reduction by FY2030 compared to FY2013
- Promotion of global emission reduction, international collaboration and cooperation (including the Joint Crediting Mechanism)
- Establishment of the JCM Promotion and Utilization Council by the JCM implementing authorities.
  - Authorization
  - Method of corresponding adjustments
  - Revision of the Guidelines for the Implementation of the JCM in Japan
- Progress management and evaluation by the Global Warming Prevention Headquarters (ministerial decision-making body chaired by Prime Minister)
Implementation of the Article 6 rules into domestic rules

Establishment of the **JCM Promotion and Utilization Council** consisting of five relevant Ministries* (January 17, 2022)

* Ministry of the Environment; 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 corresponding adjustments to prevent double counting,
3. the revision of the Guidelines for the Implementation of the JCM.

**Formulation of the procedures on the authorization and corresponding adjustments** (April 7, 2022)

- Establishment “Procedures for Authorization as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (JCM)” and “Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism.”
Project Cycle of the JCM and the CDM

**JCM**
- **Project Participant / Each Government Joint Committee**
- **Joint Committee**
- **Project Participant**
- **Third Party Entities**
- **Joint Committee**
- **Project Participant**
- **Third Party Entities**
- **Joint Committee decides the amount Each Government issues the credit**

**CDM**
- **Project Participant**
- **CDM Executive Board**
- **Project Participant**
- **Designated Operational Entities (DOEs)**
- **CDM Executive Board**
- **Project Participant**
- **DOEs**
- **CDM Executive Board**

**Main actors at each process**
- Submission of Proposed Methodology
- Approval of Proposed Methodology
- Development of PDD*
- Validation
- Registration
- Monitoring
- Verification
- Issuance of credits

*PDD: Project Design Document