

**THE MEMORANDUM OF COOPERATION ON THE JOINT CREDITING MECHANISM
FOR THE LOW CARBON GROWTH PARTNERSHIP
BETWEEN JAPAN AND SRI LANKA**

1. The Government of Japan represented by the Ambassador of Japan in Sri Lanka and the Government of Sri Lanka represented by the Secretary of Ministry of Environment (hereinafter referred to as “both governments”), in pursuit of the ultimate objective of the United Nations Framework Convention on Climate Change (hereinafter referred to as the “Convention”) as stated in its Article 2 and of achieving sustainable development goals, and in order to continue to address climate change impacts in cooperation, promote the Low Carbon Growth Partnership as follows.
2. Both governments conduct consultations for bilateral and regional cooperation toward low carbon growth.
3. Both governments, in order to promote investment and deployment of low carbon technologies, products, systems, services and infrastructure to achieve low carbon growth in Sri Lanka, establish a Joint Crediting Mechanism (hereinafter referred to as the “JCM”) and implement it in accordance with the relevant domestic laws and regulations in force in each country.
4. Both governments establish a Joint Committee to operate the JCM.
 - i. The Joint Committee consists of representatives from both governments.
 - ii. Rules of procedures of the Joint Committee, including its membership, will be formulated through consultations between both governments.
 - iii. The Joint Committee will develop the rules and guidelines for implementing the JCM, methodologies to quantify the amount of greenhouse gas emission reductions or removals, requirements for the designation of third-party entities, guidelines for allocation of credits and other matters relating to the implementation and administration of the JCM as necessary.
 - iv. The Joint Committee convenes meetings on regular basis on mutually consented time line to make necessary decisions on the implementation of the JCM including its evaluation.
 - v. The Joint Committee designates an accredited body as a third-party entity for validation of a JCM project and verification of greenhouse gas emission reductions or removals.
5. Both governments mutually recognize that verified emission reductions or removals from the mitigation projects under the JCM can be used for achieving nationally determined contributions under the Paris Agreement while ensuring that double counting is avoided on the basis of a corresponding adjustment.
6. Both governments ensure the robust methodologies, transparency and the environmental integrity of the JCM and maintain the JCM simple and practical to promote concrete actions for global greenhouse gas emission reductions or removals.
7. Neither side will use any mitigation projects registered under the JCM for the purpose of any other international climate mitigation mechanisms to avoid double counting on greenhouse gas emission

reductions or removals.

8. Both governments will work in close cooperation to facilitate financial, technological and capacity building support necessary for the implementation of the JCM. The Government of Japan will facilitate technological and capacity building support to the Government of Sri Lanka for the implementation of the JCM.
9. The JCM starts its operation as the non-tradable credit type mechanism. Both governments continue consultation for the transition to the tradable credit type mechanism and reach a conclusion of such consultation at the earliest possible timing, taking into account the implementation of the JCM. Each government will determine the appropriate domestic arrangement for the treatment of credits, in accordance with the relevant domestic laws and regulations.
10. Nationally prioritized sectors and sub sectors for greenhouse gas emission reductions or removals will be considered under the JCM.
11. The JCM aims for concrete contributions for assisting adaptation efforts of Sri Lanka after the JCM is converted to the tradable credit type mechanism
12. This Memorandum of Cooperation covers the period for verified emission reductions or removals from the mitigation projects under the JCM to be made after the date of signatory until 2030. Both governments consider possible extension of the above-mentioned period and reach a conclusion by 2030.
13. This Memorandum of Cooperation is not a legally binding document signed by both governments. All differences arising in the implementation and/or interpretation of this Memorandum of Cooperation will be settled amicably by both governments.
14. Any content of this Memorandum of Cooperation is modified only by mutual written consent between both governments.

Signed in Colombo on 10th October 2022 in two originals in the English language.

H.E. MIZUKOSHI Hideaki
Ambassador Extraordinary
and Plenipotentiary of Japan to the
Democratic Socialist Republic of Sri Lanka

Dr. Anil Jasinghe
Secretary
Ministry of Environment
Democratic Socialist Republic of
Sri Lanka