

**MEMORANDUM OF COOPERATION
BETWEEN THE GOVERNMENT OF JAPAN AND
THE GOVERNMENT OF THE INDEPENDENT STATE OF PAPUA NEW GUINEA
ON THE JOINT CREDITING MECHANISM**

The Government of Japan (hereinafter referred to as “**Japan**”) and the Government of the Independent State of Papua New Guinea (hereinafter referred to as “**PNG**”) (hereinafter referred to individually as a “**Participant**” and collectively as “**the Participants**”);

RECOGNISING the importance of bilateral cooperation in addressing climate change;

IN PURSUIT OF the objectives of the Paris Agreement and in particular Article 2, paragraph 1, sub-paragraph (a) on holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels;

DESIRING to voluntarily collaborate consistent with Article 6, paragraph 2 of the Paris Agreement on the transfer of internationally transferred mitigation outcomes towards achieving their Nationally Determined Contributions, while promoting sustainable development, environmental integrity and transparency;

PURSUANT to the prevailing laws and policies of each respective Participant;

HAVE REACHED the following contents:

OBJECTIVE AND PURPOSE

1. This Memorandum of Cooperation (hereinafter referred to as “**MOC**”) intends to formally express the consent of the Participants to establish a Joint Crediting Mechanism (hereinafter referred to as “**the JCM**”) and to provide a framework for cooperation on the JCM between the Participants.
2. The Participants implement the JCM in accordance with the relevant domestic laws and regulations in force in each respective country.

AREAS OF COOPERATION

3. The Participants recognise that their cooperation within this MOC is for the purposes of establishing and implementing the JCM and may include, but is not limited to, the exchange of information, technical knowledge, best-practices, and experiences on carbon credits and reduction and removal of green-house gas emissions for the purposes of achieving their respective nationally determined contributions (“**NDCs**”).

JOINT CREDITING MECHANISM

4. The JCM will provide a framework for collaboration between the Participants to achieve emission reductions and removals in Papua New Guinea, and provide for the transfer of corresponding carbon credits to Japan as internationally transferred mitigation outcomes.
5. The JCM intends to facilitate diffusion of, among others, leading decarbonizing technologies, products, systems, services and infrastructure as well as implementation of mitigation actions, thereby contributing to greenhouse gas emissions reductions or removals and sustainable development in Papua New Guinea, and the achievement of nationally determined contributions of Japan and Papua New Guinea.
6. The Participants mutually recognize that part of JCM credits issued from emission reductions and removals may be used towards the achievement of Japan's NDC and the rest of the said JCM credits may contribute to the achievement of Papua New Guinea's NDC, while ensuring that double counting is avoided on the basis of corresponding adjustments, consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement (hereinafter referred to as "the **guidance**").
7. Each Participant authorizes the credits issued in the JCM registry of Japan for use towards the achievement of Japan's nationally determined contribution as internationally transferred mitigation outcomes, consistent with the guidance.
8. Each Participant may authorize part of JCM credits for use for other international mitigation purposes, as appropriate, consistent with the guidance.
9. The Participants ensure that transparency and environmental integrity of the JCM should be simple and practical, to promote concrete actions for global greenhouse gas emission reductions and removals.
10. The Participants work in close cooperation to implement the JCM.

IMPLEMENTATION DOCUMENTS

11. The Participants may develop separate Implementation Documents to operationalize the areas of cooperation within this MOC.

TECHNICAL ASSISTANCE AND CAPACITY BUILDING

12. Japan will provide and facilitate technological assistance and capacity building support necessary for the administration of the JCM by PNG within this MOC.

JOINT COMMITTEE

13. The Participants will establish a Joint Committee consisting of representatives from each Participant to implement the JCM.

14. The Joint Committee will develop rules and guidelines necessary for the implementation of the JCM, relating to project cycle procedures, methodologies, project design documents, monitoring, designation of third-party entities, validation and verification and other related matters of the JCM.
15. The Joint Committee determines the administrative procedures relating to its meetings and other arrangement as and when necessary.

CONFIDENTIALITY

16. All information which is obtained or received by a Participant from the other Participant in connection with this MOC (hereinafter referred to as “confidential information”), regardless of whether such information is specifically marked as confidential, will be held in confidence and will be used exclusively for the purpose for which it was disclosed. The Participants take all reasonable measures to ensure that confidential information is protected against loss and against unauthorised access, and that only authorised personnel have access to confidential information.
17. The Participants will not disclose confidential information to any third party, unless:
 - a. The disclosure is to a Participant’s respective officials’ relevant stakeholders, including other government agencies, industry, academia and public-private initiatives for the purposes of implementing this MOC or any cooperation project, program or activity as may be initiated or carried out thereunder; or
 - b. The Participant has obtained prior written approval for such disclosure from the other Participant which has provided the confidential information, including where disclosure is required by the national law or competent authorities of the first Participant.

LEGAL EFFECT

18. Nothing in this MOC creates, or is intended to create, any legally enforceable rights or impose any legally binding obligations on the Participants under domestic or international law.
19. Nothing in this MOC is intended to restrict the Participants’ ability to cooperate with each other or with any third parties.

EXPENSES

20. This MOC does not intend to impose financial obligations on either Participant to the other Participant.

21. Each Participant bears its own costs and expenses associated with the implementation of this MOC or any other implementing document within this MOC, unless mutually consented to otherwise by the Participants.

DISPUTE RESOLUTION

22. Any differences in the interpretation, application and implementation of this Memorandum of Cooperation are resolved amicably through consultations between the Participants.

REVIEW AND REVISION

23. The MOC may be reviewed by the Participants on an annual basis during the course of its duration unless mutually consented to otherwise by the Participants.
24. The Participants may revise or modify this MOC upon their mutual written consent.

COMMENCEMENT, DURATION, AND TERMINATION

25. This MOC covers the period from the date of signature by the Participants and will remain applicable for a period of 10 years, and automatically renews for subsequent periods of 10 years unless either Participant gives the notice to terminate in line with Paragraph 26.
26. Either Participant may terminate this MOC by giving at least six (6) months written notice to the other Participant via diplomatic channel.
27. The termination of this MOC will not affect any existing projects or any cooperative activity within this MOC which is in progress at the time of termination, unless the Participants mutually decide otherwise in writing.

Signed in duplicate at Sharm-el-Sheikh on 18 November 2022, in two originals in the English language.

For the Government of Japan

NISHIMURA Akihiro
Minister of the Environment

For the Government
of the Independent State
of Papua New Guinea

Simo Kilepa
Minister for Environment, Conservation
and Climate Change