

Initial report referred to in decision 2/CMA.3, annex, chapter IV.A (Initial report)

Party	Japan
NDC period	2021–2030
Report number for the NDC period^a	1
Report type	Initial report <input checked="" type="checkbox"/> Updated initial report <input type="checkbox"/>
Updated initial report number	1
Version^b	1.0
Date	31/10/2024
Name(s) of cooperative approach(es) included in this report	Joint Crediting Mechanism between the government of Japan and the government of the Kingdom of Thailand

^a Note: The number “1” means the initial report.

^b Note: Decimal increase for minor revisions (typos, corrections) and digit increase for content changes.

I. Participation responsibilities (para. 18(a))

A. Information on how the Party ensures that it is a Party to the Paris Agreement (para. 18(a), para. 4(a), to be updated by para. 21(a))

Japan deposited the instrument of acceptance of the Paris Agreement with the Secretary-General of the United Nations at the UN Headquarters in New York on 8 November 2016.

Reference:

- United Nations Treaty Repository (Paris Agreement)
https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=en

B. Information on how the Party ensures that it has prepared, communicated, and is maintaining an NDC in accordance with Article 4, paragraph 2 (para. 18(a), para. 4(b), to be updated by para. 21(a))

The government of Japan communicated the updated NDC on 22 October 2021. The government of Japan continues to implement the updated NDC.

Reference:

- NDC Registry – Japan’s First NDC (Updated submission) (Submitted on Oct 22, 2021)
https://unfccc.int/sites/default/files/NDC/2022-06/JAPAN_FIRST%20NDC%20%28UPDATED%20SUBMISSION%29.pdf

C. Information on how the Party ensures it has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3 (para. 18(a), para. 4(c), to be updated by para. 21(a))

The government of Japan establishes and implements the Joint Crediting Mechanism (JCM) in order to quantitatively evaluate contributions of the government of Japan to greenhouse gas emission reductions and removals which are achieved through the diffusion of decarbonizing technologies, products, systems, services, and infrastructures as well as through the implementation of measures in developing countries and others, and in order to use such contributions to achieve Japan’s NDC.

In order to implement the JCM in the government of Japan consistent with the Paris Agreement and other relevant decisions, five ministries, the Ministry of the Environment, the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs, the Ministry of Agriculture, Forestry and

Fisheries, and the Ministry of Land, Infrastructure, Transport and Tourism, which are the JCM implementing authorities, established the **JCM Promotion and Utilization Council** in January 2022¹ based on the *Plan for Global Warming Countermeasures* (approved by the Cabinet on October 22, 2021).

In summary, the Council's duties include the following:

- Authorization of JCM credits as a Party to the Paris Agreement
- Determination of a method to apply corresponding adjustments to prevent double counting.

Reference:

- Establishment of the JCM Promotion and Utilization Council (January 11, 2022)
<https://www.env.go.jp/content/000060591.pdf>

D. Information on how the Party ensures it has arrangements in place that are consistent with the Article 6, paragraph 2, guidance and relevant decisions of the CMA for tracking ITMOs (para. 18(a), para. 4(d), to be updated by para. 21(a))

The government of Japan uses the **JCM Registry for Japan** for tracking JCM credits as ITMOs, which is provided for in the Act on Promotion of Global Warming Countermeasures (Act No. 56 of 2024).

The registry has been developed in line with the Common Specifications of the JCM Registry and will be implemented consistent with relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) in relation to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement.

In the Japanese JCM registry, unique identifiers are assigned to JCM credits to record authorization, first transfer, transfer, acquisition, use towards the NDCs, authorization for use towards other international mitigation purposes, and voluntary cancellation.

The Ministry of the Environment and the Ministry of Economy, Trade and Industry are the JCM registry management authorities, and the contact information of both ministries is available on the following registry page:

<https://www.jcmregistry.go.jp/contents/JP/Contact/Contact.html>

Reference:

- The JCM registry system for Japan
<https://www.jcmregistry.go.jp/>

E. Information on whether the most recent national inventory report required in accordance with decision 18/CMA.1 has been provided (para. 18(a), para. 4I, to be updated by para. 21(a))

The government of Japan submitted its most recent national inventory report in line with decision 18/CMA.1 on April 12, 2024. It covers the inventory reporting years between 1990 and 2022.

Reference:

- Japan. National Inventory Document (NID)
<https://unfccc.int/documents/637879>

F. Information on how the Party ensures participation contributes to the implementation of its NDC and long-term low-emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement (para. 18(a), para. 4(f), to be updated by para. 21(a))

The government of Japan aims to reduce its greenhouse gas emissions by 46 percent in fiscal year 2030 from its fiscal year 2013 levels, setting an ambitious target that is aligned with the long-term goal of achieving net zero by 2050. Furthermore, the government of Japan will continue strenuous efforts in its challenge to meet the lofty goal of cutting its emissions by 50 percent.

Furthermore, in its Long-Term Strategy under the Paris Agreement submitted in October 2021, Japan describes the JCM as a part of international cooperation with the goal of driving global greenhouse gas (GHG) emission reductions and removals, thereby contributing to the realization of carbon neutrality in the world.

Reference:

- Long-Term Strategy under the Paris Agreement (Cabinet decision, October 22, 2021)
https://unfccc.int/sites/default/files/resource/Japan_LTS2021.pdf

II. Description of the Party's NDC, as referred to in decision 18/CMA.1, annex, paragraph 64, where a participating Party has not yet submitted a biennial transparency report (para. 18(b), to be updated by para. 21(b))

All the information in Section II is provided on the basis of the Japan First NDC (Updated submission) (Submitted on 22 October, 2021)

A. Target(s) and description, including target type(s) (decision 18/CMA.1, annex, para. 64(a))

Target(s) and description: Economy-wide absolute greenhouse gas emission reduction target (A reduction of 46% in economy-wide national total greenhouse gas emissions by FY 2030 compared to FY 2013 level)

Target type: Single-year target

B. Target year(s) or period(s), and whether they are single-year or multi-year target(s) (decision 18/CMA.1, annex, para. 64(b))

Target year: Fiscal year 2030 (from April 1, 2030, to March 31, 2031), single-year target

C. Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) (decision 18/CMA.1, annex, para. 64(c))

Base year: Fiscal year 2013 (from April 1, 2013, to March 31, 2014)

National total GHG emissions in the base year: 1,407 Mt CO₂e (base on greenhouse gas inventory submitted to the UNFCCC in April 2024)

D. Time frame(s) and/or periods for implementation (decision 18/CMA.1, annex, para. 64(d))

From April 1, 2021, to March 31, 2031

E. Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, pools and gases (decision 18/CMA.1, annex, para. 64(e))

Sectors of coverage:

All sectors and categories encompass the following:

(a) Energy

- Fuel Combustion (Energy industries, Manufacturing industries and Construction, Transport, Commercial/Institutional, Residential, Agriculture/Forestry/Fishing, and Other)
- Fugitive emissions from fuels
- CO₂ transport and storage

(b) Industrial processes and product use

(c) Agriculture

(d) Land Use, Land-Use Change, and Forestry (LULUCF)

Activities related to contributions from the LULUCF sector:

afforestation and reforestation (AR), deforestation (D), forest management (FM), cropland management (CM) and grazing management (GM), and urban greening (UG)

Carbon Pools for the LULUCF sector:

Above ground biomass, below ground biomass, dead wood, litter, soils, and harvested wood products (HWP)

(e) Waste

Targeted gases:

Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Percentage of coverage:

100 percent

F. Intention to use cooperative approaches that involve the use of internationally transferred mitigation outcomes under Article 6 towards NDCs under Article 4 of the Paris Agreement (decision 18/CMA.1, annex, para. 64(f))

The government of Japan establishes and implements the JCM in order to quantitatively evaluate the contributions of the Japanese government to greenhouse gas emission reductions and removals, which are achieved through the diffusion of decarbonizing technologies, products, systems, services, and infrastructures, as well as through the implementation of measures in developing countries and others, and in order to use such contributions to achieve Japan's NDC.

By doing so, through public-private collaborations, the government of Japan aims to contribute to accumulated emission reductions and removals at the level of approximately 100 million tonnes of CO₂ by fiscal year 2030. The government of Japan will appropriately count the acquired credits to achieve its NDC.

With regard to the JCM, the government of Japan secures environmental integrity and the avoidance of double-counting consistent with the guidance on cooperative approaches as referred to in Article 6, paragraph 2, of the Paris Agreement (hereinafter referred to as "the Article 6.2 guidance").

G. Any updates or clarifications of previously reported information (e.g., recalculation of previously reported inventory data or greater detail on methodologies or use of cooperative approaches) (decision 18/CMA.1, annex, para. 64(g))

Not applicable

III. Information on ITMO metrics, method for applying corresponding adjustments, and method for quantification of the NDC (para. 18(c–f))

A. ITMO metrics (para. 18(c))

Methods of estimations are in line with the Guidelines for National Greenhouse Gas Inventories prepared by the IPCC and adopted by the COP.

The metrics used for the total GHG emissions and removals (CO₂ equivalent) are the Global Warming Potentials of a 100-year time horizon that were presented in the *IPCC Fifth Assessment Report*.

Reference: Japan First NDC (Updated submission) (2021), 2024 NID

B. Method for applying corresponding adjustments as per chapter III.B (Application of corresponding adjustment (para. 18(c))

1. Description of the method for applying corresponding adjustment for multi- or single year NDCs that will be applied consistently throughout the period of NDC implementation, if applicable (para. 18(c))

The government of Japan has a **single-year NDC target** to reduce its GHG emissions by 46 percent by FY2030 from its FY2013 level. The government of Japan will apply CA to its target using the **averaging method** in line with para. 7(a)(ii), annex to decision 2/CMA.3.

The detailed method is described in the Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism.

(1) For each year from 2021 to 2029, the government of Japan applies indicative corresponding adjustments by subtracting the average annual amount of JCM credits as of the said year from the amount of Japan's total greenhouse gas emissions for the said year submitted to the Secretariat of the United Nations Framework Convention on Climate Change. The average amount of JCM credits as of the said year is calculated by dividing the cumulative amount of JCM credits, which have been confirmed that the government of the partner country, as a Party to the Paris Agreement, authorizes and applies corresponding adjustments by adding to the greenhouse gas emissions covered by its NDC and which have been transferred to the retirement account in the JCM registry of Japan from January 1, 2021 to December 31st of the said year by the number of years elapsed from 2021 to the said year.

(2) For 2030, the government of Japan applies corresponding adjustments by subtracting the average annual amount of JCM credits from the total amount of Japan's greenhouse gas emissions covered by the NDC. The average annual amount of JCM credits is calculated by dividing the cumulative amount of JCM credits issued for emission reductions and removals realized from January 1, 2021 to December 31, 2030, which have been confirmed that the government of the partner country, as a Party to the Paris Agreement, authorizes and applies corresponding adjustments and which have been transferred to the retirement account in the JCM registry of Japan by 10, which is the number of years of the NDC implementation period.

Reference:

- Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism (April 7, 2022)
<https://www.env.go.jp/content/000060562.pdf>

2. Description of the method for applying corresponding adjustments where the method is a multiyear emissions trajectory, trajectories, or budget if applicable (para. 18(c)).

Not applicable

C. Quantification of the Party's mitigation information in its NDC in t CO₂ eq, including the sectors, sources, GHGs, and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC or, where this is not possible, the methodology for the quantification of the NDC in t CO₂ eq (para. 18(d))

Sectors and sources covered by the NDC	Energy, IPPU, Agriculture, LULUCF, and Waste
GHGs covered by the NDC	CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃
Time period covered by the NDC	From April 1, 2021, to March 31, 2031
Reference level of emissions and removals for the relevant year or period	GHG emissions in FY 2013: 1,407 Mt CO ₂ eq (based on NID submitted in 2024)
Target level for the NDC	760 Mt CO ₂ eq in FY 2030 (46 percent of the reference level)

Reference: Japan First NDC (Updated submission) (2021)

D. Quantification of the Party's NDC, or the portion in the relevant non-GHG indicator, in a non-GHG metric determined by each participating Party, if applicable (para. 18(e))

Not applicable

E. For a first or first updated NDC consisting of policies and measures that is not quantified, information on quantification of the Party's emission level resulting from the policies and measures that are relevant to the implementation of the cooperative approach and its mitigation activities for the categories of anthropogenic emissions by sources and removals by sinks, as identified by the first transferring Party pursuant to paragraph 10, and the time periods covered by the NDC (para. 18(f))

Not applicable

IV. Information on each cooperative approach (para. 18(g–i), para. 19)

A. Copy of the authorization by the participating Party (para. 18(g))

The JCM Promotion and Utilization Council in the government of Japan authorizes JCM credits issued in the JCM registry for the government of Japan and promptly publishes the information on the authorization on the JCM website (<https://www.jcm.go.jp>), including the name of the relevant partner country, the name of the JCM project, the name of the legal entity acquiring JCM credits, the JCM credit identification number, and the status of authorization by the relevant partner country etc.

Procedures for Authorization as a Party to the Paris Agreement regarding the Joint Crediting Mechanism (April 7, 2022) can be found at <https://www.env.go.jp/content/000060562.pdf>

B. Description of the cooperative approach (para. 18(g))

The Joint Crediting Mechanism (JCM) is a bilateral crediting mechanism established 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, leading decarbonizing technologies, products, systems, services, and infrastructures, as well as through the implementation of measures in developing countries and others, and in order to use such contributions to achieve Japan's NDC consistent with the Article 6.2 guidance and relevant decisions of the CMA.

The JCM between the government of Japan and a partner country is implemented consistently with the Article 6.2 guidance, contributing to the achievement of both countries' NDCs while ensuring the avoidance of double counting through corresponding adjustments.

Both governments establish a Joint Committee (JC) consisting of representatives from both countries to make the necessary decisions.

The JCM between the government of Japan and the government of the Kingdom of Thailand is implemented in two tracks:

- (1) Rules of Implementation for the JCM track under the Premium Thailand Voluntary Emission Reduction (Premium T-VER)
https://www.jcm.go.jp/opt/th-jp/rules_and_guidelines/download/ext/file_32/Attachment_1_JCM_TH_RoI.pdf
- (2) Rules of Implementation for the JCM for Existing Projects
https://www.jcm.go.jp/opt/th-jp/rules_and_guidelines/download/ext/file_33/Attachment_2_JCM_TH_RoI.pdf

All the relevant rules, guidelines, and decisions made by the Joint Committee, including approval of methodologies, registration of projects, notification to issue JCM credits, and issuance of credits by each government are made publicly available on the JCM website <https://www.jcm.go.jp/>. In addition, all calls for public input on the proposed methodologies and proposed projects are announced on the same website.

C. Duration of the cooperative approach (para. 18(g))

The cooperation covers the period for the issuance of credits that covers GHG emission reductions or removals from JCM projects until December 31, 2030. Both governments may consider a possible extension of the above-mentioned period and reach a decision by 2030.

Reference:

- Rules of Implementation for Premium T-VER JCM Track, para. 5.
https://www.jcm.go.jp/opt/th-jp/rules_and_guidelines/download/ext/file_32/Attachment_1_JCM_TH_RoI.pdf

- Each bilateral document and rules of implementation are available on the JCM website: <https://www.jcm.go.jp/>

D. Expected mitigation for each year of the duration of the cooperative approach (para. 18(g))

Estimated emission reductions in each year until 2030 of each JCM project are included in a Project Design Document (PDD), a document that includes monitoring methods and estimated emission reductions.

For those projects and their emission reductions or removals (average), see the website below: <https://www.jcm.go.jp/projects/registers>

E. Participating Parties involved in the cooperative approach (para. 18(g))

The government of Japan and the government of the Kingdom of Thailand

F. Authorized entities (para. 18(g))

The JCM Promotion and Utilization Council in the government of Japan authorizes JCM credits issued in the JCM registry of Japan and publicizes, among others, legal entities acquiring those JCM credits on the JCM website (<https://www.jcm.go.jp>).

G. Description of how the cooperative approach ensures environmental integrity (para. 18(h), to be updated by para. 22(b))

1. Description of how the cooperative approach ensures that there is no net increase in global emissions within and between NDC implementation periods (para. 18(h)(i), to be updated by para. 22(b)(i))

Both governments mutually recognize that part of the credits issued from emission reductions and removals achieved by the JCM projects may be used towards the achievement of Japan's NDC while ensuring that double counting is avoided on the basis of corresponding adjustments consistent with the Article 6.2 guidance. The corresponding adjustments are applied to authorized credits.

2. Description of how the cooperative approach ensures environmental integrity through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels and 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) (para. 18 (h)(ii) to be updated by para. 22(b)(ii)).

The JCM is established by a Memorandum of Cooperation (MoC) signed between both governments and implemented in line with the relevant domestic laws and regulations. In line with the MoC, the JC is established, consisting of government officials from both governments.

(1) The JCM track under the Premium T-VER Program

The JCM projects under the Premium T-VER program track are implemented in line with the rules of implementation adopted between the government of Japan and the government of Thailand and the applicable rules and guidelines of the Premium T-VER program, which is governed by the Board of Directors of Thailand Greenhouse Gas Management Organization. Information relating to relevant rules and guidelines and the registered mitigation activities, including the mitigation activity design documents and the verified monitoring reports, are made publicly accessible.

The baseline applied by the projects under the Premium T-VER program is set in a conservative manner below business-as-usual emission projections.

(2) The JCM for existing projects

The JC adopted relevant rules and guidelines, which are made publicly available on the JCM website. In addition, all calls for public inputs on proposed methodologies and proposed projects are informed on the same website.

The methodologies are developed in line with JCM Guidelines for Developing Proposed Methodology, which explain the key concepts, such as reference emissions and eligibility criteria under the JCM. The JC assesses and considers the approval of the proposed methodologies. The list of approved JCM methodologies can be found on the JCM website (<https://www.jcm.go.jp>).

The JCM Guidelines for Developing Proposed Methodology stipulate that the reference emissions are calculated to be below business-as-usual (BaU) emissions, which represent plausible emissions in providing the same outputs or service level of the proposed JCM project. Therefore, the baselines are to be set in such a way that emission reductions would not overestimate mitigation from an activity.

3. Description of how the cooperative approach is minimizing the risk of non-permanence of mitigation across several NDC periods and how, when reversals of emission reductions or removals occur, the cooperative approach will ensure that these are addressed in full (para. 18(h)(iii), to be updated by para. 22(b)(iii))

If a project is susceptible to the risk of non-permanence, the relevant rules and procedures will be applied concerning buffer credits, which are withheld from issued credits of the project and may be released in line with the relevant decisions.

H. Additional description of the cooperative approach (para. 18(i))

1. Description of how the cooperative approach minimizes and, where possible, avoids negative environmental, economic, and social impacts (para. 18(i)(i), to be updated by para. 22(f))

The JCM is implemented taking the negative environmental, economic, and social impacts into consideration in consultation with the relevant stakeholders in line with the relevant domestic laws and regulations in force. Where negative impacts are found, the project participants are requested to propose and implement safeguard measures.

Reference:

- (1) The JCM track under the Premium T-VER Program:
The Guidelines for Assessment and Monitoring the Sustainable Development & Safeguards of T-VER project
<https://ghgreduction.tgo.or.th/en/premium-t-ver.html>.
- (2) The JCM for Existing Projects:
JCM Guidelines for Developing Sustainable Development and Safeguards Assessment Report and Monitoring Report
https://www.jcm.go.jp/th-jp/rules_and_guidelines

2. Description of how the cooperative approach reflects the eleventh preambular paragraph of the Paris Agreement, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of indigenous peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity (para. 18(i)(ii), to be updated by para. 22(g))

Each project's compliance with the domestic laws and regulations is monitored by both governments, ensuring that the eleventh preambular paragraph of the Paris Agreement is respected by the JCM projects.

Reference:

- (1) The JCM track under the Premium T-VER Program:

Guidelines for Assessment and Monitoring the Sustainable Development & Safeguards of T-VER project

<https://ghgreduction.tgo.or.th/en/premium-t-ver.html>

- (2) The JCM for Existing Projects:
JCM Guidelines for Developing Sustainable Development and Safeguards Assessment Report and Monitoring Report
https://www.jcm.go.jp/th-jp/rules_and_guidelines

In addition, project participants who receive financial support from the government of Japan should take the best possible measures in line with the National Action Plan on Business and Human Rights (2020-2025) and the Guidelines on Respecting Human Rights in Responsible Supply Chains.

3. Description of how the cooperative approach is consistent with the sustainable development objectives of the Participant, noting national prerogatives (para. 18(i)(iii), to be updated by para. 22(h))

The JCM is implemented to contribute to the SDGs in consultation with relevant stakeholders in a way that is consistent with their national objectives by adopting rules and guidelines for sustainable development.

Reference:

- (1) The JCM track under the Premium T-VER Program:
Guidelines for Assessment and Monitoring the Sustainable Development & Safeguards of T-VER project
<https://ghgreduction.tgo.or.th/en/premium-t-ver.html>
- (2) The JCM for Existing Projects:
JCM Guidelines for Developing Sustainable Development and Safeguards Assessment Report and Monitoring Report
https://www.jcm.go.jp/th-jp/rules_and_guidelines

4. Description of how the cooperative approach applies any safeguards and limits set out in further guidance from the CMA pursuant to chapter III.D (para. 18(i)(iv), to be updated by para. 22(i)).

Not applicable.

Necessary arrangements will be made in line with further guidance on safeguards and limits developed by the CMA.

5. Description of how the cooperative approach contributes resources for adaptation pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable (para. 18(i)(v), to be updated by para. 22(j))

The government of Japan does not require adaptation contribution from mitigation activities under the JCM.

6. Description of how the cooperative approach delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions), if applicable (para. 18(i)(vi), to be updated by para. 22(k))

The government of Japan does not require the cancellation of a certain amount of JCM credits for delivering overall mitigation of global emissions.