

Procedures for Corresponding Adjustments regarding the Joint Crediting Mechanism

April 7th, 2022

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JCM Promotion and Utilization Council in Japan

~~The JCM Promotion and Utilization Council hereby establishes the procedures for corresponding adjustments, regarding the JCM credits authorized consistent with “Procedures for Authorization as a Party in relation to the JCM credits in accordance with Article 6 of the Paris Agreement regarding the Joint Crediting Mechanism (JCM).” The corresponding adjustment is made as “the calculation method prescribed in Article 6, paragraph 2 of the Paris Agreement” pursuant to Article 57-18, Paragraph 2 of Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998), as amended by Article 1 of Supplementary Provisions of the revising Act on the Act on Promotion of Global Warming Countermeasures (Act No. 56 of 2024), described as separately specified in Article 7 “Corresponding adjustments”, paragraph 1 of the Guidelines for the Implementation of the JCM in Japan (effective since January 17th, 2022) are defined as follows, in accordance with Article 6, paragraph 3 of the Paris Agreement and the CMA decision concerning guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement (decision 2/CMA.3). Corresponding adjustments here mean subtracting the amount of authorized JCM credits authorized by Japan as a Party to the Paris Agreement in line with Article 6, paragraph 1 of the said Guidelines, from the amount of greenhouse gas emissions covered by Japan’s Nationally Determined Contribution (NDC)(hereinafter referred to as "corresponding adjustments as Japan"); for use towards the purpose specified in Article 5, paragraph 1 of the said Guidelines (the achievement of the NDC), in the NDC target year of fiscal year 2030.~~

(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 have been transferred to the retirement account in the JCM registry of Japan, from January 1st, 2021 to December 31-st 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 1st, 2021 to December 31st, 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 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.