# Joint Crediting Mechanism (JCM) between India and Japan

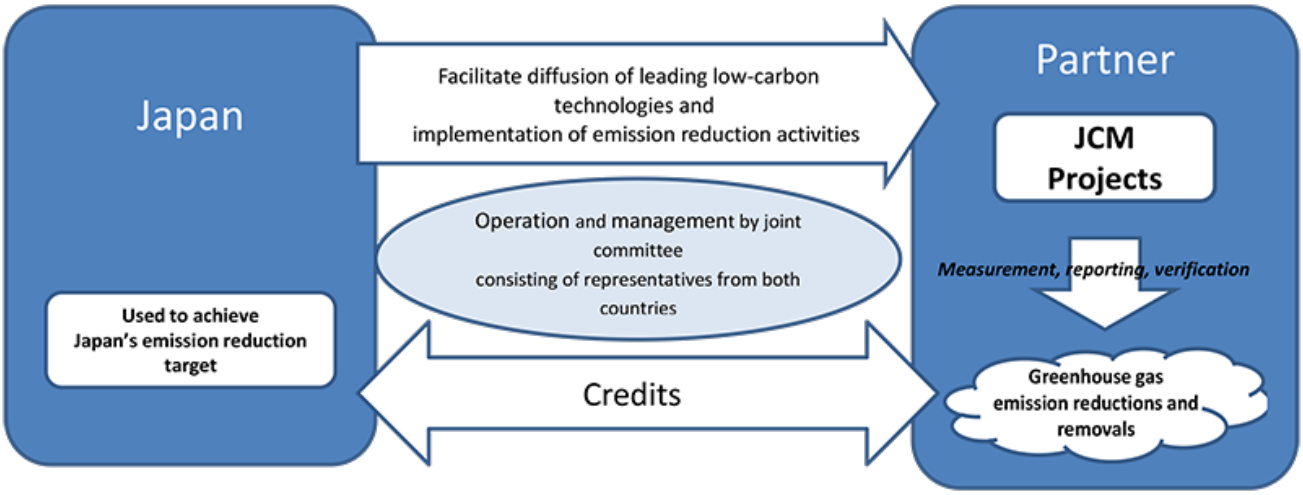
**Prelims (GS - I)** – *Environmental Ecology & Climate Change, International Relations.*

**Mains (GS - II & III) –** *GS II (Governance, International Relations) | GS III (Environment, Economy, Science & Tech).*

## Why in News?

*India and Japan plan to sign a Memorandum of cooperation for setting up a Joint Crediting Mechanism (JCM) to share emission reduction credits under Article 6.2 of the Paris Agreement.*

- **Initiated by** – Japan.
- **Objective** – To facilitate the *transfer of low-carbon technologies* and infrastructure through investment by Japanese corporations to developing nations in exchange for *carbon credits.*
- **Purpose –** Helps both India and Japan achieve their climate targets (NDCs) by implementing sustainable technologies and sharing the resulting emission reductions.




- **Tracking Mechanism –** Carbon credits will be tracked ***through a registry system***, with joint committees managing projects and certifying credits.
- **Key Features of India-Japan JCM -** Japan *will invest* in India's decarbonization efforts by deploying advanced clean energy technologies.
- India will adopt new emission-reducing technologies in various industries, focusing on *high-cost sectors* that lack financing.
- Japan can use these credits to meet its *NDC commitments*, while India benefits from technology transfer and infrastructure development.
- **Sectors Covered Under the JCM Agreement -** The agreement covers *14 key sectors*, including
    - Renewable energy with storage solutions

- Solar thermal power plants
- Green hydrogen production
- Sustainable aviation fuel (SAF)
- Decarbonization of hard-to-abate sectors

**Reference**

Business Standard | Joint Crediting Mechanism (JCM)

