

Pillar 2 : Addressing Challenges in an Indo-Pacific Way

Case (10): Creation of high-integrity carbon markets

1. Basic concept

- For the Indo-Pacific region, which produces more than 60% of global CO2 emissions, reducing greenhouse gas emissions as quickly and as significantly as possible is crucial not only toward reaching the 1.5-degree target but also from the perspective of regional security.
- For this purpose, supporting the formulation of national plans and strengthening implementation structures in countries whose 2030 targets (NDCs) and long-term strategies are not aligned with the 1.5-degree target is essential. It is also important to attract private finance and promote efforts on emission reductions through developing high integrity carbon markets, where decarbonization efforts are valued in a manner that respects human rights, local employment, and the environment in the Indo-Pacific region.

2. Items of cooperation

- Supporting governments in formulating long-term strategies and plans considering national circumstances.

Examples:

- Support in formulating long-term strategies using assessment models
- Capacity building to improve GHG inventories
- Promotion of GHG emissions accounting and reporting by private actors
- Capacity-building support through the Article 6 Implementation Partnership and the promotion of high integrity carbon markets

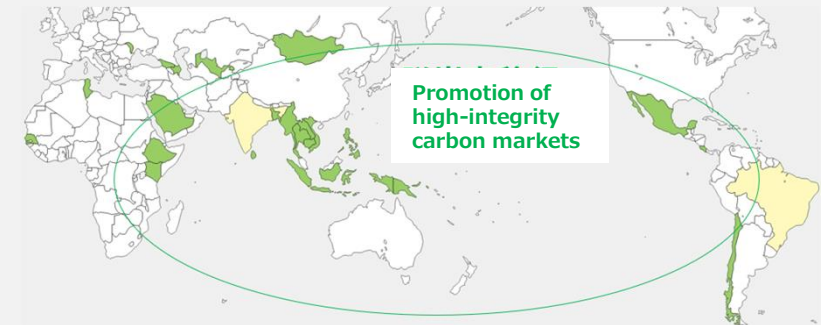
- Implementing the JCM in line with the guidance on Article 6 of the Paris Agreement including revision of JCM guidelines
- Considering regional collaboration in the Indo-Pacific region for further expansion of the JCM.
- Expanding decarbonization projects in each country

Examples:

- Design of specific projects with financial support under the Joint Crediting Mechanism (JCM)
- Design of JCM projects with private finance

Joint Crediting Mechanism (JCM)

- Japan will establish and implement the JCM in order to quantitatively evaluate contributions of Japan to GHG 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.
- Japan has established the JCM with 25 countries, mainly in the Indo-Pacific region, and has been implementing over 240 projects of GHG emission reductions and absorption to date.



Map Legend

Green: JCM partner countries as of March 10

Yellow: Main countries under discussion (India and Brazil agreed to continue discussions on the JCM respectively in the India-Japan Summit Joint Statement of March 2022, and the Declaration of Intent signed between Brazil and Japan in July 2022.)



Introduction of CNG-Diesel Hybrid Equipment to Public Bus in Indonesia



Waste-to-Energy Plant in Vietnam