Rule of Implementation of the Joint Crediting Mechanism
between
the Government of the Republic of India
and
the Government of Japan

The Joint Committee of the Joint Crediting Mechanism (hereinafter referred to as "JCM"), mentioned in the "Memorandum of Cooperation on the Joint Crediting Mechanism between the Government of Japan and the Government of the Republic of India signed on 7 August 2025", hereby establishes the Rule of Implementation of the JCM as follows:

General Framework

[Objectives]

1. This Rule of Implementation (hereinafter referred to as "RoI") delineates the general framework, roles of the Joint Committee and other bodies, and procedures of the Joint Crediting Mechanism.

[Definition and Scope]

2. JCM is a cooperative approach where the Government of Japan and Japanese public/private entities cooperate with the Government of the Republic of India and Indian public/private entities to implement mitigation activities in India.

3. The fundamental conceptual terms used in this Rule of Implementation are defined as follows.
   a) Greenhouse gases (hereinafter referred to as "GHGs") covered under the JCM are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).
   b) "Nationally Determined Contribution" (hereinafter referred to as "NDC") refers to contribution which a party to the Paris Agreement prepares and communicates to the Secretariat of the United Nations Framework Convention on Climate Change, and maintains in line with Article 4, paragraph 2 of the Paris Agreement.
   c) "mitigation outcomes" refers to the quantified results of actions that reduce greenhouse gas emissions or enhance removals, which are to be calculated, issued, authorized and shared in line with Article 6 of Paris Agreement, bringing various benefits including achievement of Nationally Determined Contribution (hereinafter referred to as "NDC") and sustainable development.
   d) "JCM credits" refer to mitigation outcomes which are measured in metric tonnes of carbon dioxide equivalent (tCO_2eq) in line with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and issued based on quantified amount of mitigation outcomes achieved by project participants in the implementation of GHG mitigation project activities under the JCM (hereinafter referred to as "JCM projects").
   e) "Project Participant" refers to a government, private entity and/or public entity involved to participate in a project under JCM.
   f) "Internationally transferred mitigation outcomes" (hereinafter referred to as "ITMOs"), "Corresponding adjustment", "Authorization", and "Other international mitigation purposes" are defined by the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement.
   g) "Crediting period" is the period in which verified mitigation outcomes attributable to a JCM project, as applicable, may result in the issuance of credits from that JCM project.
   h) "Business-as-usual emissions" (hereinafter referred to as "BaU emissions") refers to plausible expected emissions in providing the same outputs or service level of the proposed JCM project in the host country if the JCM project had not been carried out and the equipment and facilities commonly used at the start of the project would be continuously used.

i) “Reference Emissions” refers to emissions as specified in JCM methodologies and applied to JCM projects for calculating JCM Credits.
j) “Project Emissions” refers to the actual amount of GHGs emitted once the project has been implemented.
k) “Registry” refers to a carbon credit registry system administered by a government.

[Calculation and Sharing of JCM Credits]

4. JCM Credits are calculated as the difference between reference emissions and project emissions as illustrated in Figure-1.

5. The reference emissions are established to be below business-as-usual (BaU) emissions with a conservative buffer in a manner that the proposed project contributes to the achievement of the NDC of India.

6. The sharing of JCM credits is decided by the Joint Committee with prior approval of the Government of the Republic of India and Government of Japan based on respective internal evaluation of the project’s technical and financial elements:
   a) extent of each side’s respective contributions to mitigation outcomes including private and public financial contributions that account for the direct cost and indirect cost involved, such as, subsidies provided by each government wherever applicable, in-kind contributions, such as technical and operational contributions and the terms of finance.
   b) extent to which the expected carbon credit revenue could lead to substantial improvement in the unit economics of the project.

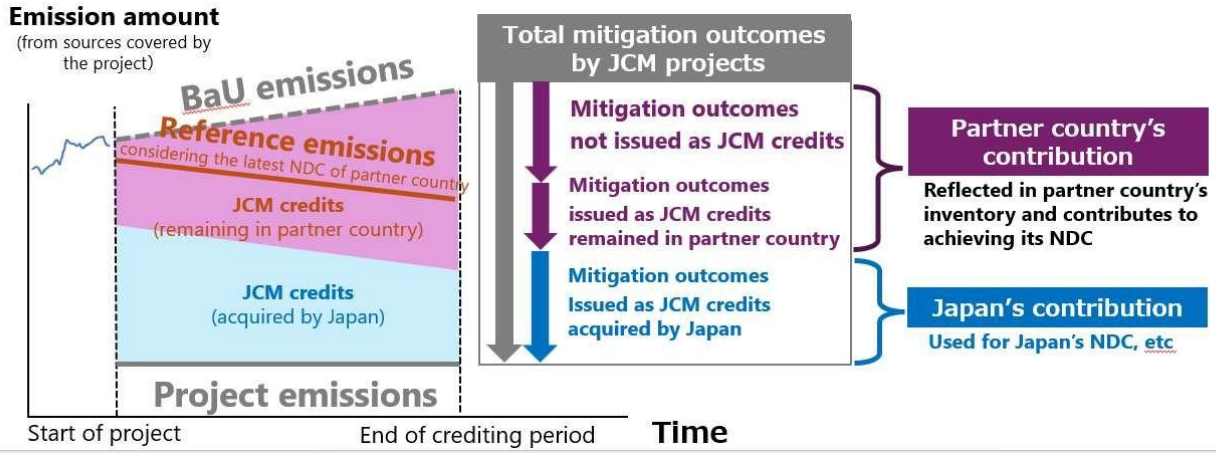


Figure-1: Indicative diagram of the relationship between the BaU emissions, reference emissions and project emissions

[Crediting Period]

7. Each JCM project selects the crediting period no longer than 10 years, including renewal of the crediting period, if any. The Government of Japan and the Government of the Republic of India, where appropriate, consider possible extension of the above-mentioned period and reach a conclusion after approval from competent authority of Government of the Republic of India.

[Use of JCM Credits]

8. A part of the JCM credits may be used as ITMOs towards the achievement of Japan’s NDC and/or other international mitigation purpose, and the rest of the said JCM credits may contribute to the achievement of India’s NDC and/or be used as ITMOs towards other international mitigation purpose, while ensuring that double counting is avoided on the basis of corresponding adjustments.

[Avoidance of double issuance]

9. Any mitigation outcomes for which JCM credits have been issued may not be issued with credits under any other crediting mechanism.

[Implementation consistent with Article 6 of the Paris Agreement]

10. Each government authorizes the JCM credits to be transferred as ITMOs for the use toward the achievement of Japan's NDC and/or for the use towards other international mitigation purpose, consistent with the guidance on cooperative approaches, referred to in Article 6, paragraph 2 of the Paris Agreement (hereinafter referred to as "the guidance").

11. Such authorization described in the preceding paragraph is made at the time of issuance of the JCM credits for Japan's share of JCM credits.

12. The Government of the Republic of India applies corresponding adjustments to the JCM credits issued in the JCM registry of Japan as well as the JCM credits issued in the registry of India that are authorized for the use toward other international mitigation purposes, consistent with the guidance.

13. Each government checks the status of the issuance and use of JCM credits and makes sure that double counting is avoided.

[Registry]

14. Each government establishes and maintains a registry.

15. On the basis of notification for issuance of JCM credits by the Joint Committee (including for allocation of JCM credits among participants), each government issues the notified amount of JCM credits to its registry.

Joint Committee and other Bodies

[Members of the Joint Committee]

16. Each government designates members of the Joint Committee from the respective governments and notifies the other government of this designation. Members of each government may be increased, decreased, or changed as long as they do not exceed 10 at any time.

17. The Joint Committee has two Co-Chairs with one of the Co-Chairs appointed by the Government of the Republic of India and the other appointed by the Government of Japan, respectively. In case a Co-Chair resigns, the government which appointed the leaving Co-Chair, appoints his or her replacement.

18. An alternate of each member of the Joint Committee, including Co-Chairs, from the respective government may attend the meetings of the Joint Committee to perform the function of the member of the Joint Committee.

[Decision Making by the Joint Committee]

19. The Joint Committee decides no objection to PIN, the registration of a project, determination of crediting period, sharing and issuance of credits and any related matters on the JCM with prior approval of both Governments.

20. Decisions by the Joint Committee are adopted by consensus either through in-person meetings or video conference meetings or electronic mails.

21. The Joint Committee should make its reasonable effort to carry out the required assessment and make decisions within the time frame specified in the RoI. For the sake of clarity, where "submission" is the starting point of the specific time frame, submission means that a document which meets the formal requirements has been submitted.

[Secretariat]

22. The secretariat established by the Government of Japan supports the members of the Joint Committee designated by Japan, while the secretariat set up by the Government of the Republic of India similarly assists the members designated by India. Both secretariats will be referred to as "the secretariat" hereafter.

23. The secretariat performs administrative matters, including reviewing documents, sending documents to the members of the Joint Committee, and preparing draft decisions of the Joint Committee.

[Project Participants]

24. A project participant is a government, private entity and/or public entity involved to participate in a JCM project.

[Third-Party Entity]

25. A third-party entity (hereinafter referred to as "TPE") is an entity that works for validation of proposed JCM projects and verification of GHG emission reductions or removals achieved by the JCM project.

26. Upon the submission of the required documents from the candidate entity, the secretariat registers the candidate entity as a TPE, if the candidate entity has sufficient knowledge of the JCM between the India and Japan and is either:
    (a) Entities accredited under ISO 14065 by an accreditation body that is a member of the International Accreditation Forum (hereinafter referred to as "IAF") based on ISO 14064-2;
    (b) Entities accredited with the Indian Carbon Market (ICM) and accredited by the National Accreditation Board for Certification Bodies (NABCB); or
    (c) Designated Operational Entities (hereinafter referred to as "DOEs") or operational entities accredited by the Executive Board under the Clean Development Mechanism (hereinafter referred to as "CDM") and/or by the Supervisory Body under the Paris Agreement Crediting Mechanism (Article 6.4 mechanism of the Paris Agreement).

27. The Joint Committee may suspend or withdraw the registration of TPE partially or as a whole if it has found fraud, malfeasance or incompetence of the TPE, or when it becomes clear that the TPE no longer meets the requirements described in the paragraph 26 above.

28. Any TPE may request the secretariat to make changes to its sectoral scope or withdraw from its registration.

Procedures for JCM project cycle

[Project Idea Note]

29. The project participants prepare a Project Idea Note (hereinafter referred to as "PIN") which describes an overview of a planned JCM project of project participants, explain the planned project's alignment with the list of activities approved by the Government of the Republic of India under Article 6.2 of Paris Agreement and alignment with the provision outlined in the MoC and submit the PIN to the secretariat.

30. The Joint Committee, subsequent to the in-principle approval from the Government of the Republic of India, decides, with prior approval by both governments, whether to object or not to object, and upon no objection of the Joint Committee, the project participants may proceed to the request for registration of the project as JCM project.

[Methodologies]

31. The Government of Japan, the Government of the Republic of India or project participants may prepare a proposed methodology and submit it to the secretariat.

32. The secretariat makes the methodology publicly available for public inputs, and the secretariat makes all received inputs publicly available.

33. After closing the call for public inputs, the Joint Committee decides, taking into account of, among other things, received public inputs, either:
    (a) Approval of the proposed methodology;
    (b) Approval of the proposed methodology with revisions;
    (c) Non-approval of the proposed methodology.

34. When preparing a Project Design Document (hereinafter referred to as "PDD"), the project participants confirm the approval date of the latest version of the approved methodology which the project participants plan to apply. The Joint Committee assesses and decides to approve the validity of reference emissions of the approved methodology

[Project Design Document]

35. Project participants prepare and submit a draft PDD to the secretariat which sets out proposed JCM project description, applied methodology, sharing of JCM credits, monitoring plan and other documentation, as appropriate.

36. The project participants may submit the draft PDD to the secretariat, and the secretariat makes the draft PDD, barring the confidential information, publicly available for public inputs, and the secretariat makes a summary of received inputs publicly available. This process may be integrated into a single public inputs process combined with the public inputs process for the draft SDIP referred to in paragraph 38.

[Sustainable Development Implementation Plan]

37. The project participants prepare a Sustainable Development Implementation Plan (hereinafter referred to as "SDIP"), which sets out a plan of the proposed JCM project to contribute to sustainable development, and submit the draft SDIP together with supporting documentation, as appropriate, to the secretariat at the time of the submission of the draft PDD.

38. The secretariat makes the SDIP publicly available for public inputs and also makes a summary of received inputs publicly available. This process may be integrated into a single public inputs process combined with the public inputs process for the draft PDD referred to in paragraph 36.

39. After closing the call for public inputs, the secretariat conducts a review of the SDIP, and notifies the project participants if potential negative impacts of the proposed JCM project on sustainable development are identified and an appropriate action plan is not described. The SDIP is deemed positively reviewed if no potential negative impacts are identified or an appropriate action plan is properly described during the review.

[Validation]

40. Project participants request a TPE to independently validate the proposed JCM project as described in the draft PDD and prepare a validation report.

[Registration]

41. Registration is the formal decision by the Joint Committee to register a validated project as a JCM project.

42. Upon receiving a positive validation opinion by the TPE and review of SDIP by the secretariat, the project participants may request for registration of the proposed JCM project.

43. When requesting registration, the project participants submit the form for JCM project registration request, the validated PDD, the validation report, the positively reviewed SDIP, the form for JCM credit allocation, and supporting documentation, as appropriate, to the secretariat.

44. Upon the submission of the required documents, both governments, based on India's host party authorization criteria, provide a letter of authorization to the entity and approval on the share of JCM credits between Indian government and/or entities and Japanese government and/or entities, crediting period and use of JCM credits.

45. The Japanese entity/entities register themselves in the Indian Carbon Market portal to receive letter of authorization for the entity/entities.

46. Based on the receipt of approvals/rejections and authorizations from the Government of the Republic of India and the Government of Japan, the Joint Committee would proceed with:
    (a) Registration of the proposed JCM project and the credit allocation;
    (b) Registration of the proposed JCM project and the credit allocation with revisions;
    (c) Rejection of the proposed JCM project.

47. Right after the registration of the project, a Letter of Intent for the issuance and authorization of JCM credits will be provided to the project participants by the Government of the Republic of India.

[Monitoring]

48. The project participants implement a JCM project and monitor mitigation outcomes by the JCM project based on the PDD.

49. The project participants prepare a draft monitoring report, which compiles information on the mitigation outcomes of an implemented registered JCM project for a particular monitoring period, in line with the applied methodology and the PDD.

[Sustainable Development Implementation Report]

50. The project participants prepare and submit a Sustainable Development Implementation Report (hereinafter referred to as "SDIR") which sets out the result of SDIP implementation for a particular monitoring period, together with supporting documentation, as appropriate, to the secretariat at the time of the submission of the draft monitoring report to the TPE.

51. Upon submission, the secretariat conducts an evaluation of the SDIR including on-site visit where necessary.

52. By the end of the evaluation period, the Secretariat notifies the project participants for necessary action if negative impacts of the JCM project on sustainable development are identified without an appropriate description of the corrective action.

53. The SDIP is deemed positively evaluated if no negative impacts are identified or appropriate description on the corrective action is properly addressed during the period of evaluation.

[Verification]

54. The project participants submit the monitoring report with supporting documentation to the TPE contracted by the project participants to perform verification of the monitored quantity of mitigation outcomes.

55. The TPE verifies the quantity of mitigation outcomes, prepares a verification report and sends the report to the project participants.

[Issuance of Credits]

56. The Joint Committee decides the issuance of JCM credits in line with the allocation of credits as per the approval given under para 44 above, if the JCM projects is implemented in line with the PDD of the JCM project and the monitored quantity of mitigation outcomes are verified.

57. The project participants who wish to acquire JCM credits issued:
    i) First, open an account in the registry of the Government of Japan and/or the Government of the Republic of India; and
    ii) Then, request the issuance of JCM credits by submitting the form for JCM credits issuance request, including information on the allocation of credits among the project participants and both governments in tonnes of CO_2 equivalent, the verified monitoring report, the verification report, and the positively evaluated SDIR to the secretariat.

58. Upon the submission of the requested documents, the Joint Committee, subsequent to the approval from the Government of the Republic of India and Government of Japan, decides, within sixty (60) days from the submission, either:
    (a) Issuance of JCM credits in line with the allocation of credits as per the approval given in the PDD ensuring that the JCM credits issued to each project participant/government are based on their contributions made and/or amount paid.
    (b) Issuance of JCM credits in line with the revisions of the allocation of credits as per the approval given in the PDD ensuring that the JCM credits issued to each project participant/government are based on their contributions made and/or amount paid.
    (c) Rejection of the issuance of JCM credits.

59. Upon decisions by the Joint Committee, the secretariat notifies each government to issue the amount of JCM credits specified in the notification to respective accounts of project participants and/or each government in the respective registry and both governments issue credits as notified by the secretariat.

60. The Government of Japan and the Government of the Republic of India will provide authorization for the JCM credits post their issuance.

61. Each government promptly informs the other government of the issuance of JCM credits.

[Any Changes or Withdrawal]

62. Any modification to the PIN with no objection, PDD of registered project, approved methodologies, positively reviewed SDIP, positively evaluated SDIR, validation report, verification report and other project-related documents (except for any changes to the information related to the focal point) requires the decision by the Joint Committee with prior approval of both governments.

63. In the event of an exceptional circumstance where the project is found to undermine the purpose of the JCM, changes to authorization of entities and/or authorization for the use of ITMOs can be applied based on a decision by the Joint Committee with prior approval of both governments.

64. The project participants may voluntarily withdraw a proposed or registered JCM project or credit issuance request by submitting the withdrawal request as per the contents and procedures detailed by the Joint Committee.

Other Matters

[Modification to the Rule of Implementation]

65. Any modification to the RoI may be decided by the Joint Committee with prior written approvals from the Government of the Republic of India and the Government of Japan.

66. New areas and their related rules may be considered by the Joint Committee with prior written approval of both governments.

[Detailed Procedures for the Implementation of JCM]

67. The secretariat develops the detailed procedures and necessary forms, for the JCM project cycle and the registration of TPEs as well as the specifications of the registry.

68. Each government, the Joint Committee, the secretariat, project participants, TPEs and any other stakeholders implement the JCM in line with the RoI and further clarifications.

[Confidentiality and Impartiality]

69. Members of the Joint Committee, the secretariat or any other bodies or persons that have been delegated the work to assist the Joint Committee respect the confidentiality of all confidential information acquired in his/her position and not make improper use of or disclose such confidential information to third parties.

[Focal Point of the Project Participants]

70. The project participants designate one focal point entity, and include such information in all the documents they submit.

71. The project participants grant the focal point the authority to communicate all project-related matters, including in relation to requests for registration of the proposed JCM project and issuance of JCM credits to respective accounts.

[Language]

72. Working language of the JCM is English. Decisions by the Joint Committee, public inputs, and all documents to be submitted under the JCM are written in English.

[Information Disclosure]

73. The secretariat makes necessary information relating to the process of JCM, including all the decisions by the Joint Committee, information on proposed JCM projects, project participants, and TPEs, publicly available except for the information that is specified as confidential by the project participants.