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India - Japan Joint Crediting Mechanism (JCM)

JCM's strong RE track record
supports India's NDC targets and is a
key milestone for carbon market

JANUARY 2026

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With the JCM's strong record in RE deployment, Japanese companies are well-placed to help reduce a significant share of emissions from India's power sector, which accounts for over half of the country's total GHG emissions.

As CCTS trading begins in late 2026, India is set to become a major global carbon market, and the JCM represents an important step in that direction.

- Japan's Nationally Determined Contribution (NDC), submitted to the United Nations, commits the country to reducing greenhouse-gas (GHG) emissions by 73% by FY2040 compared with FY2013 levels—a year that marked Japan's highest emissions since 1850.
- The Joint Crediting Mechanism (JCM) is one of the Government of Japan's (GoJ) key international tools to help achieve global emission reductions by supporting low-carbon projects overseas. Launched in 2013, the JCM operates as a bilateral carbon-market mechanism through which the GoJ partners with other countries to implement and credit GHG-reduction initiatives. The GoJ plans to reduce more than half of its GHG emission reduction target through this mechanism.
- Under the JCM, the GoJ finances and deploys advanced low-carbon technologies in developing countries, and in return receives carbon credits for a portion of the resulting emission reductions. These credits are applied toward Japan's own climate-mitigation targets.
- Host countries also benefit by accessing clean technologies, capacity-building support and a share of the emission-reduction credits, which contribute to achieving their respective NDCs.

- The GoJ has entered into JCM partnerships with 31 countries, with India being among the latest to join. A Memorandum of Cooperation (MoC) between India and Japan includes features like technology transfer, investment for clean projects, joint decision-making, clear project rules, and carbon-credit trading under Article 6.2.
- India will be able to access modern low-carbon technologies, attract foreign investment, build skills and move towards more sustainable economic growth with the JCM.

- More than 50% of India's GHG emissions come from the power sector. Given the JCM's strong track record in energy (RE) deployment, Japanese companies are well-positioned to help address a substantial portion of emissions from India.
- By channeling Japanese investment and technology through the JCM, India can lower its carbon intensity and expand the share of clean energy in its national grid—advancing two key objectives of India's NDC.

- India's carbon market has evolved from a fragmented, voluntary system to a structured, regulation-driven one. With Carbon Credit Trading Scheme (CCTS) trading set to start in 2026, India is poised to become a major global carbon market. The JCM partnership further strengthens India's shift toward a robust, internationally aligned carbon-market framework.



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