

AIDE MEMOIRE

ON THE JOINT CREDITING MECHANISM

Japan and the Republic of the Philippines hereby express their intent to establish a partnership on low carbon growth that will promote investment and the use of technologies, products, systems, services and infrastructure based on the principles of equality, reciprocity and mutual benefit, in accordance with their respective domestic laws, regulations and environmental policies as well as their budget availability.

Both countries aim to establish the Joint Crediting Mechanism (hereinafter referred to as the "JCM") in accordance with applicable domestic laws and regulations; and to constitute the Joint Committee (hereinafter referred to as the "JC") to operate the JCM, whose rules and procedures will be established in writing in separate documents.

Both countries recognize that the verified emission reductions or removals of greenhouse gases that results from the mitigation projects under the framework of the JCM can be used to quantify their own efforts of reducing greenhouse gases on an international basis, as approved by the JC for each project, based on applicable methodologies.

Both countries will work in close collaboration in order to facilitate both financial and technical support in line with its respective capabilities in order to create the necessary requirements for the implementation of the JCM which will start as a non-tradable credit type mechanism.

Both countries will strive to concur on the Memorandum of Cooperation as soon as their domestic legal requirements and regulations are fully complied with.

FOR THE JAPANESE SIDE

FOR THE PHILIPPINE SIDE

Tamayo Marukawa

Ramon J.P. Paje

Minister of the Environment

Secretary of Environment and Natural Resources