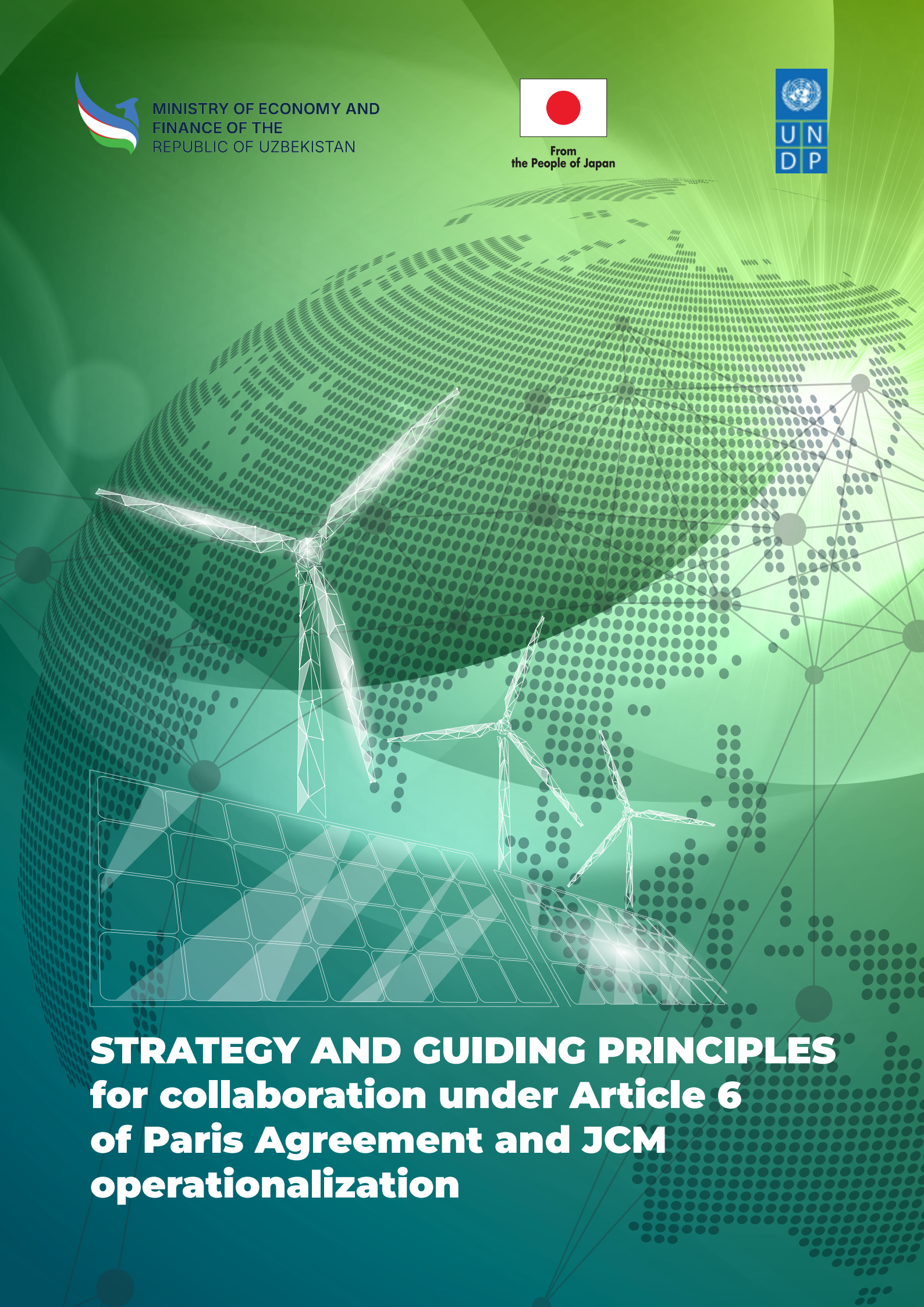




MINISTRY OF ECONOMY AND
FINANCE OF THE
REPUBLIC OF UZBEKISTAN



From
the People of Japan



STRATEGY AND GUIDING PRINCIPLES for collaboration under Article 6 of Paris Agreement and JCM operationalization

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Introductory Chapter

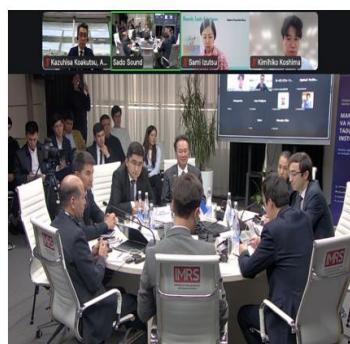
I. Introduction

This report is about the accomplishment of the UNDP's project to support the Government of Uzbekistan in its decarbonization efforts by facilitating the implementation of A6 and operationalization of the JCM. The project focused mainly on developing institutional frameworks, providing technical guidelines, and stakeholder capacity deemed necessary. The key tasks that were carried out included, but were not limited to, the following:

Tasks	Activities
<u>Task 1.</u> Gap analysis describing political, technical, institutional, and social needs for A6 readiness	Map and analyse existing regulatory and institutional frameworks to identify gaps and opportunities for improvement.
	Assess the alignment of the current regulatory environment with the legal, institutional, and procedural requirements of Article 6.
	Propose a step-by-step roadmap for establishing the national institutional architecture for A6 implementation.
	Provide technical support for the development and operationalization of key A6-related instruments, including recommendations on the national carbon registry.
<u>Task 2:</u> Operationalization of the JCM in Uzbekistan	Review the latest version of the rules of implementation of the JCM issued by the Joint Committee (JC)
	Develop national technical guidelines for the design and implementation of the JCM project.
	Review and clarify the roles and responsibilities of national institutions involved in JCM and Article 6 governance.
	Design MRV protocols for JCM projects that are aligned with Uzbekistan's national transparency system
<u>Task 3.</u> Conduct a capacity gap and needs assessment for ITMO transfer readiness	Develop a training module for public officials and technical professionals involved in A6, JCM, and NDC.
	Produce a knowledge brief summarizing international best practices and implementation models.
	Conduct a targeted study on the infrastructure and institutional capacity required to operationalize Article 6 activities in Uzbekistan.
	Formulate a detailed roadmap for establishing a functional Article 6 infrastructure, including institutional development milestones, policy reforms, technical systems, and a phased implementation aligned with national planning cycles and NDC 3.0 priorities.

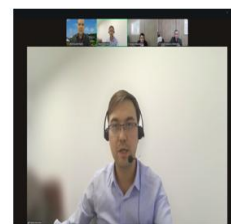
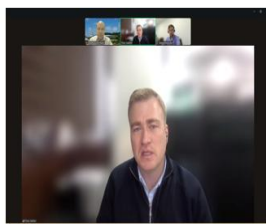
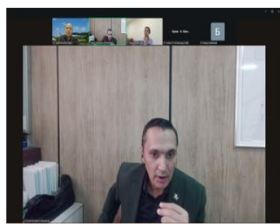
II. Carried out activities/methodology and key outcomes

Methodology	Activity	Key Outcome
1) Desk Work	-Reviewed Uzbekistan's A6 draft strategy, Presidential Decree No PF-110, NDC.3, etc. -Review Japan-Uzbekistan JCM rules and guidelines. -Reviewed the latest A6-related guidelines, Rules, and Modalities	-Input to the development of the "Resolution of the Cabinet of Ministers of the Republic of Uzbekistan on the approval of the regulation on measures to fulfil international obligations to reduce greenhouse gas emissions and participation in the carbon units market."
2) Online meetings	-Frequent online meetings with the UNDP and relevant stakeholders	Coordinated to develop/finalize: i) Resolution; ii) A6 Initial Report; iii) A6 Framework
3) In-person meetings	-Two business trips to Uzbekistan (15d each) -At JCM GPM in Japan	-Data collection and stakeholders' feedback, Potential JCM projects identification/piloting
4) Dissemination and capacity building events	Developed training modules and contributed to round table/workshops	-Training modules -Training workshop -Contribution to several events organized by UNDP, A6IP, and Clean AirAsia
5) Synthesis	Synthesizing the findings and compiling deliverables	-Input into the Ministerial Resolution -A6 Initial report -National strategy and framework for A6.2 (JCM) implementation -MRV Protocol -A6 related capacity building materials.



Round Tables

Capacity building/Training



III. Executive Summary of key findings and recommendations

Under the project, we conducted desk research and online and in-person meetings to assess the alignment of the current regulatory environment with the legal, institutional, and procedural requirements, and ultimately to identify gaps and opportunities for implementation.

We have also tangibly contributed to advancing the implementation of the A6 and operationalizing the JCM through drafting a step-by-step roadmap for establishing the national institutional architecture for A6 implementation in Uzbekistan, national technical guidelines for the design and implementation of the JCM projects, and an MRV protocol for JCM projects that are aligned with Uzbekistan's national transparency system. We also conducted one training course and two rounds of policy dialogues to enhance government officials' awareness and technical capacity. The significant contribution remains in reflecting/integrating the JCM rules and guidelines into the Resolution of the Cabinet of Ministers, on measures to fulfil international obligations to reduce greenhouse gas emissions and participate in the international carbon units market, while balancing national regulations and priorities with bilateral commitments, particularly concerning sensitive issues such as carbon unit authorization procedure, retention, and fees.

1. Key findings on Status and Challenges

1.1 Status

Drawing on Uzbekistan's current readiness efforts and international A6 good practices, we concluded that Uzbekistan has made remarkable progress in establishing the groundwork for participation in the international carbon market. For instance, Uzbekistan ratified the Paris Agreement (PA) in December 2015¹ and subsequently adopted national strategies, including the "Green Economy Transition Strategy" and "Uzbekistan 2030."² It signed an MOU on cooperation under the Joint Credit Mechanism (JCM) with Japan in 2022 and a Framework Agreement for Cooperation on Climate Change and Greenhouse Gas Emissions Reduction with the Republic of Korea in 2023³. In July 2025, the Presidential Decree No. PF- 110⁴ was issued, establishing the institutional, legal, and operational framework to enable Uzbekistan's participation in international carbon markets and designating the Ministry of Economy and Finance as the Designated National Authority (DNA). Uzbekistan has also regularly submitted its Biannual Transparency Report (BTR) and, in Nov. 2025, submitted its updated Nationally

¹ <https://carececo.org/en/main/news/uzbekistan-podpisal-parizhskoe-soglashenie/>

² <https://unfccc.int/sites/default/files/2025-11/Uzbekistan%20Third%20NDC.pdf>

³

<https://a6partnership.org/partners/uzbekistan#:~:text=In%202023%2C%20the%20Government%20of,and%20Greenhouse%20Gas%20Emissions%20Reduction.>

⁴ https://climate-laws.org/document/presidential-decree-no-pd-110-on-measures-for-participation-in-the-international-carbon-units-market_55ed

Determined Contribution (NDC 3.0)⁵. Despite these developments, Uzbekistan remains in the pre-operational phase of implementing A6.

1.2 Key Challenges

Uzbekistan faces several challenges to engage in the carbon market in general and in implementing A6 in particular. We can categorize these challenges as strategic and regulatory-related, institutional- and capacity-constraining-related, technical and infrastructure-related, and lack-of-operational-experience- related (Table 1). Each of them is briefly elaborated on in Table 1. Addressing those challenges will enable Uzbekistan to seize the full potential of A6 in mobilizing green finance and innovative technologies, while also utilizing the JCM as a strategic opportunity for piloting.

Table1. Key challenges to engage in the carbon market in general and in implementing A6

Strategic and Regulatory Challenges	Institutional and Capacity Constraints	Infrastructure Challenges	Lack of Operational Experience
• Lack of a national “A6 strategy”. • Lack of clear authorization procedures for ITMOs. • Non-adoption of the Resolution of the Cabinet of Ministers on measures to participate in the international carbon market. • Lack of a positive or negative list to determine a new project's eligibility and streamline approval procedures.	• Limited technical capacity regarding carbon markets and A6 mechanisms. • Fragmented coordination among stakeholders. • Fragmented with a lack of practical focus and capacity-building support.	• Lack of centralized Measurement, Reporting, and Verification (MRV) system. • Lack of standardized templates, procedures, and digital platforms for project processing.	• Existing project proposals are stalled due to regulatory and procedural challenges. • Letter of No Objection (LNO) has been issued for the Proposed JCM Project. • A6 Initial Report not submitted

2. Recommendations

What has been achieved is acknowledged and praised; it remains a step in the right direction. Several actions should be further considered and prioritized based on available time and resources.

2.1 Specific Recommended Actions

- Finalize and adopt the Resolution of the Cabinet of Ministers

Uzbekistan should prioritize finalizing and adopting the “Resolution of the Cabinet of Ministers on measures to fulfil international obligations to reduce greenhouse gas emissions and participate in the international carbon units market.” By doing so, Uzbekistan will fulfill one of its two main remaining

⁵ <https://unfccc.int/sites/default/files/2025-11/Uzbekistan%20Third%20NDC.pdf>

participation requirements to engage in cooperative approaches under A6.2 of the Paris Agreement. Ultimately, it will provide the legal foundation for implementing Article 6 and JCM, legal certainty to build investor confidence, and, most importantly, ensure environmental integrity.

- Develop the national carbon registry

Uzbekistan should accelerate the development of its national registry or consider accessing existing systems, such as JCM registries, or other internationally recognized standards, such as the Gold Standard and Verra, as a temporary solution, as accepted by the UNFCCC, to track ITMOs.

- Prepare a robust project eligibility criterion

Preparing a positive list of prioritized project types eligible for A6, as well as, where appropriate, a negative list to exclude projects and activities that may pose environmental, social, or reputational risks is another urgent requirement for Uzbekistan. Doing this will significantly reduce uncertainty for project developers and investors, thereby accelerating the development of a credible pipeline of mitigation projects/activities.

- Establish a centralized monitoring, reporting, and verification (MRV) system

Institutional and infrastructure strengthening will be key to sustaining momentum and scaling up A6-related activities, particularly those under the JCM. Uzbekistan should establish a centralized monitoring, reporting, and verification (MRV) system to ensure transparency, consistency, and environmental integrity across all projects. It should also invest in a comprehensive digital platform that integrates key components of the carbon market ecosystem to enhance efficiency and accessibility. This platform should host standardized methodologies, provide templates for project documentation, and enable real-time reporting and tracking of project performance. Such digitalization will not only streamline administrative processes but also improve transparency and investor confidence.

- Scaling up project pipeline and deepening integration into the global carbon market

Uzbekistan should also focus on scaling up its project pipeline and deepening its integration into the global carbon market. This will involve expanding mitigation activities across priority sectors, including renewable energy, energy efficiency, and agriculture and land use. Diversification of the project portfolio will enhance resilience and maximize mitigation potential.

- Submit A6 Initial Report to the UNFCCC

Uzbekistan should consider submitting the A6 Initial Report to UNFCCC as soon as it adopts the “Resolution of the Cabinet of Ministers on measures to fulfil international obligations to reduce greenhouse gas emissions and participate in the international carbon units’ market.” This will be a significant signal for the private sector and international actors about the status/progress.

2.2 Strategic recommendations: Use the Joint Crediting Mechanism (JCM) as a strategic opportunity for piloting

While Uzbekistan takes the above specific recommendation to advance the development of a national A6 framework, particularly the bilateral cooperation under 6.2, it can utilize the JCM as a pilot mechanism to test the compliance with the requirements of A6.2, ii) to validate domestic approval procedures, iii) to build institutional capacity through practical implementation, and, more importantly, to generate early carbon finance flows.

The JCM provides an immediate operational platform for Uzbekistan to launch carbon market activities after it signed it with Japan in 2022. For instance, the JCM mechanism has been in place between Japan and more than 30 countries and has a track record of over 300 implemented projects. It has a functioning bilateral institutional framework led by the JCM joint committee (JC); an established registration system; and more than 100 approved MRV (Measurement, Reporting, and Verification) methodologies⁶, available templates, and operational procedures clearly stipulated in rules and guidelines for implementation adopted by the JC⁷.

Developing a national A6 framework	Operationalizing through JCM
Focus on: • Establishing consistency between strategy and policy • Clarification of legal and regulatory frameworks • Institutional capacity • Technical infrastructure	Focus on: • Implementation of pilot projects • Accumulation of practical experience • Validation of systems and procedures • Acceleration of readiness through implementation

Operationalizing the JCM as a pilot instrument to test and refine its A6 readiness would involve rapidly advancing two to three pilot projects in priority sectors, alongside efforts to streamline administrative processes, particularly the issuance of Letters of No Objection (LNOs) and letters authorizing the carbon units expected to be generated by these projects.

2.3 Establish a dedicated Carbon Market Acceleration Unit (CMAU) with a focus on a shift in capacity building

To make implementation successful at every stage, it's important to place strong emphasis on building capacity. The current technical capacity for the carbon market, and A6 in particular, remains limited and requires significant improvement. Such improvement could not be achieved by increasing the number of training courses or awareness-raising events, which so far seem scattered, fragmented, short-term, and mostly held in outdoor venues. A more structured, implementation-driven, hands-on approach requires embedding technical support within key institutions rather than providing it on an ad hoc basis.

⁶ <https://www.jcm.go.jp/methodologies/all>

⁷ <https://www.jcm.go.jp/uz-jp>

In this regard, we recommended that Uzbekistan consider establishing a dedicated ‘Carbon Market Acceleration Unit (CMAU) within the Ministry of Economy and Finance, specifically within the Green Economy Centre that provides comprehensive day-to-day support for A6-related issues. This unit would not replace the activities of the “Technical Working Group” assigned to support the DNA in overarching decisions such as issuing letters of Authorization, etc., but would focus more on day-to-day hand-holding through embedding national and/or international experts to assist focal points and Secretariat on A6-related activities on a timely basis such as on reporting, tracking, developing robust pipeline A6 projects, MRV methodologies, and so on, hence ensuing capacity development, institutional strengthening, project implementation, and long term partnership with partners.

The CMAU could be considered as part of, or separate from, establishing a “panel” and/or appointing external experts that provide comprehensive day-to-day support to the JCM Joint Committee (JC) for A6 and JCM-related issues in line with Art. 9 of the Rule of Procedure (ROP)⁸ of the JCM adopted by JC at its 1st meeting held on 26 Feb. 2025⁹.

3. Conclusion

Although most of the fundamental elements required to facilitate Uzbekistan’s participation in the international carbon market are already in place, further efforts to finalize and implement policies are urgently needed. Several specific recommended actions were listed, particularly those aimed at fulfilling the participation requirement under A6.2 of the PA. Using the JCM as a pilot scheme whilst advancing the formulation of the A6 national framework was also recommended as a strategic, practical, and effective approach to ensure a smooth transition from the preparatory phase to the A6 mechanism's actual operation.

Strengthening the institutional and technical capacities of relevant stakeholders will enable more effective management and oversight of the government’s carbon market activities. We recommend that this improvement be made by establishing a Carbon Market Acceleration Unit. Such improvements are likely to enhance Uzbekistan’s reputation as a reliable partner in the international carbon market.

⁸ https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_UZ_RoP_JC_ver01.0.pdf

⁹ <https://www.jcm.go.jp/jc/information/20250226/>

Chapter 1

Institutional and policy gap analysis

Institutional and policy gap analysis

I. Mapping regulatory/institutional frameworks, priorities, and ongoing cooperative approaches related to Article 6 of the Paris Agreement in Uzbekistan.

The identification of the regulatory/institutional frameworks, priority directions, and ongoing bilateral cooperation agreements related to A6 of the PA in Uzbekistan was conducted through desk research and discussions with relevant ministries and local experts during the 1st business trip to Uzbekistan, which took place from 26 October to 07 November 2025. Key findings are summarized below.

I. 1 Existing regulatory and institutional frameworks

Table 1 below maps key regulatory and institutional decisions in Uzbekistan related to A6, with those highlighted in green being the most prominent.

Table 1. Key regulatory and institutional decisions considered related to A6 in Uzbekistan

Regulations	Adoption	Objective
The Law "On the Ratification of the Paris Agreement"	Dec. 2015	Ratification of the Paris Agreement. It came into force in 2018.
The Resolution of the President "On the approval of the Strategy for the transition to a 'green' economy between 2019-2030".	Oct. 2019	To approve the country's Strategy for the Transition to a Green Economy for 2019-2030.
The Resolution of the President "On Measures to Increase the Effectiveness of Reforms Aimed at Transitioning of the Republic of Uzbekistan to a 'Green' Economy until 2030"	Dec. 2022	To implement the objectives defined in the "New Uzbekistan" Strategy, increase the effectiveness of measures to ensure "green" growth within the framework of the "Green" Economy Transition Strategy, and further expand the use of renewable energy sources and resource-saving technologies.
The Decree of the President "On the 'Uzbekistan-2030' Strategy"	Sep. 2023	Ensures the achievement of all goals that have not lost their relevance, as well as the implementation of the urgent tasks defined in the "New Uzbekistan" Development Strategy.
The Law of the Republic of Uzbekistan "On Energy Saving, Its Rational Use and Increasing Energy Efficiency"	Aug. 2024	to establish an effective energy consumption management system, reduce energy costs, and support the sustainable development of Uzbekistan's economy.
The Decree of the President "On Measures to Implement a National Transparency System in the Transition to a 'Green' Economy in the Republic of Uzbekistan".	Jun. 2024	to accelerate the development of a "green" economy in the country, significantly increase transparency in this area, and effectively and timely implement the measures outlined to enhance the effectiveness of reforms aimed at transitioning the country to a "green" economy by 2030.
The Decree of the President "On the Establishment of the Climate	Aug. 2024	To establish a Climate Council as the country's highest advisory body on climate change mitigation

Council under the President of the Republic of Uzbekistan"		and adaptation. Its tasks include, among others, monitoring the fulfilment of the country's commitments under the UN Framework Convention on Climate Change and the Paris Agreement. Creates the highest-level advisory body for climate policy, ensuring top-down strategic direction and oversight of Paris Agreement commitments.
The Resolution of the Cabinet of Ministers "On Approving the Concept for Implementing a National Transparency System in the Transition to a 'Green' Eco.	Dec. 2024	It outlines the main provisions of the Concept for Implementing the National Transparency System in the Transition to a "Green" Economy, defines the terminology, and establishes the goals and principles of the national transparency system.
The Decree of the President "On the State Program for the Implementation of the 'Uzbekistan-2030' Strategy in the 'Year of Environmental Protection and Green Economy'	Jan. 2025	To implement a comprehensive "green transformation of industries and sectors while fulfilling the country's commitments to the global community within the framework of the Kyoto Protocol to the UN Framework Convention on Climate Change and the Paris Agreement.
The Law of the Republic of Uzbekistan "On Limiting Greenhouse Gas Emissions".	Jul. 2025	To systematically regulate and reduce GHG, as well as support "green" initiatives. Provides the domestic legal framework for defining and trading carbon units and mandates the creation of a national carbon registry.
The Decree of the President "On Measures to Participate in the International Carbon Market"	Jul. 2025	-To achieve the projects defined by the "Uzbekistan-2030" Strategy, further increase the country's contribution to global efforts to reduce greenhouse gas emissions, attract investment through access to the international carbon market, support low-carbon development projects, and reduce the "carbon footprint" through innovative, energy-efficient technologies in the economic and social spheres. -The Decree directly authorizes participation in Article 6, introduces the concept of ITMOs, establishes authorization procedures, and sets a deadline for the National Carbon Registry.
The resolution of the cabinet of ministers on the approval of the regulation on measures to fulfill international obligations to reduce greenhouse gas emissions and participation in the international carbon units' market	In progress	In accordance with the Decree of the President No. PF-110 dated July 7, 2025, "On measures to participate in the international carbon units' market", and to further increase Uzbekistan's contribution to the global reduction of greenhouse gas emissions, in accordance with Article 6 of the Paris Agreement on climate change
JCM Bilateral Agreement	Oct. 2022	Cooperation agreement with Japan
Bilateral Agreement with Korea	Mar.2023	Cooperation agreement with South Korea
Submission of the NDC3.0	Nov. 2025	https://unfccc.int/sites/default/files/2025-11/Uzbekistan%20Third%20NDC.pdf

I. 2 Priority directions

The priority directions of Uzbekistan can be identified by referring to the country's 2030 strategy and the recently submitted updated NDC 3.0.

I 2.1 Priority directions of the “UZBEKISTAN 2030” strategy.

Uzbekistan prioritizes sustainability and environmental protection, as reflected in its 2030 strategy.

Fig.1. Priority directions of the “UZBEKISTAN 2030” strategy



❖ Key performance indicators of the priority direction of the “UZBEKISTAN 2030” strategy



I. 2.2 Priority Direction of the “UZBEKISTAN NDC3.0”

Uzbekistan has committed to reducing specific GHG emissions per unit of gross domestic product (GDP) by 45% by 2035 relative to the 2010 level in its NDC 3.0, reflecting a higher ambition in both magnitude and timeframe than its previous NDC 2.0, which aimed for a 35% reduction by 2030.

Uzbekistan's NDC 3.0 is comprehensive, covering the primary greenhouse gases (carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons) and focusing across five sectors: Energy, Industrial Processes and Product Use (IPPU), Agriculture, Land Use and Land Use Change and Forestry (LULUCF), and Waste.

Table 2. Key sectoral targets in Uzbekistan's NDC 3.0

Sector	Targets
Energy	Increase renewable energy generation capacity to 25 GW, raising its share in total energy consumption to 40%.
Energy efficiency	double the rate of energy efficiency improvement across all sectors of the economy.
Waste	achieve 95% coverage for solid waste collection services and utilize 35% of collected waste for energy generation.
LULUCF	expand the total area of forest cover to 6.1 million hectares, including a massive 2.3-million-hectare afforestation program in the Aral Sea region.

By screening through the NDC3.0, it is worth noting that in Uzbekistan, the energy sector, though its share of overall emissions has decreased, remains among the most emitting sectors, accounting for nearly 60% of total GHG emissions. The shares of the IPPU and agriculture sectors have increased from 7% to 14% and from 8% to 17%, respectively, reflecting a structural shift in the economy's emissions profile and broadening the potential areas for mitigation projects under A6 of the Paris Agreement.

Interestingly, Uzbekistan has already surpassed its NDC 2.0 target of a 35% reduction by 2030, eight years ahead of schedule. Such an achievement would have profound implications for Uzbekistan's Article 6 strategy if it continues, creating a substantial opportunity for A6 project implementation and enabling a significant volume of mitigation outcomes to be transferred internationally without jeopardizing the country's ability to meet its existing international commitments. This position of overachievement substantially reduces Uzbekistan's risk of participation in Article 6. Furthermore, it provides a powerful, evidence-based signal to potential partner countries and private-sector buyers that transfers from Uzbekistan are backed by a strong domestic performance track record, thereby enhancing the environmental integrity and quality of any potential ITMOs.

Finally, the NDC 3.0 explicitly quantifies the investment required to achieve the targets and refers to Article 6 as a necessary implementation tool. The estimated financing gap is substantial: mitigation measures require \$33.7 billion by 2030, rising to \$69.9 billion by 2035, while adaptation requires an additional \$15.7 billion by 2030. The energy sector alone demands \$27.4 billion by 2030 for renewable energy deployment, grid modernization, and efficiency initiatives. This clear articulation of financial need provides a strong rationale for leveraging international carbon markets to attract capital and technology required to close this gap and realize the country's climate and development objectives.

I. 4 Bilateral cooperation approaches under A6 of the Paris Agreement

I. 4.1 Bilateral cooperation with Japan

In October 2022, the Government of Uzbekistan took its first step by signing bilateral cooperation agreements with the Japanese Government to develop projects under the Joint Credit Mechanism (JCM) in line with the guidance on cooperative approaches, as referred to in Article 6.2. The JCM Promotion and Utilization Council (Japan) provided training for the Ministry of Economy and Finance in 2022, and the Uzbekistan-Japan JCM Joint Committee was established in 2023, with terms of reference outlining its roles

and mandates. The first Uzbekistan-Japan Joint Committee meeting was held in February 2025. At this meeting, the committee formally adopted the rules of procedure and guidelines for implementing the JCM, establishing the operational framework for developing and approving projects. A set of rules, guidelines, forms, and necessary documents has been developed and approved for the implementation of the JCM.

I. 4.2 Bilateral cooperation with the Republic of Korea

In March 2023, the Government of Uzbekistan signed an agreement with the Government of the Republic of Korea to advance the implementation of projects under the cooperative approach. The Uzbekistan-Korea Joint Committee was established and is preparing additional institutional arrangements and country processes for the transacting of Article 6.2 units.

II. Assess the alignment of the current regulatory environment with the legal, institutional, and procedural requirements of Article 6

To participate in cooperative approaches, Uzbekistan must ensure it has fulfilled the participation requirements set out in A6.2 guidance. The country fulfillment/readiness status is depicted in Table 3.

Table 3. Uzbekistan's fulfillment of the participation requirements set out in A6.2 guidance

Participation	Checklist	Readiness Status
Being a Party to the Paris Agreement	☐ Have you ratified the Paris Agreement?	☐ Yes
Prepared, communicated, and maintained an NDC	☐ Have you communicated the (latest) NDC?	☐ Yes
Authorization arrangements	☐ Have you assigned the authority to issue authorization letters? ☐ Have you established the process for providing such authorization	☐ Yes ☐ Currently in a drafting process (Draft Resolution)
Tracking arrangements	☐ Do you have a registry in place, or have access to one, for tracking ITMOs?	☐ Currently working with the World Bank to develop a national registry (expected Jan. 2026)
Provided the most recent national inventory report	☐ Have you provided the most recent national inventory?	☐ Yes
Contribution to NDC, LT-LEDS (if it has submitted one), and the Paris goals	☐ Have you identified the use of A6 in the NDC3.0 ☐ Have you considered the contribution of A6 to your LT-LEDS (if applicable) and towards the long-term goals of the PA?	☐ Yes ☐ Under consideration

From the table above, Uzbekistan meets the A6.2 requirements at many levels. Still, it needs to complete the Authorization Arrangement by establishing the process for providing such authorization procedures and establishing the tracking arrangement. The good news is that government officials in Uzbekistan are eagerly and hard at work on fulfilling these two components. For instance, a resolution is being finalized

to address the Authorization Arrangement, and work is in progress with the World Bank to develop a national registry by early 2025.

Below, we will address what remains regarding the Authorization and tracking arrangements.

II.1 Authorization Arrangement

One of the key achievements toward establishing an Authorization Arrangement was the designation of the Ministry of Finance and Economy as the Designated Authorization Agency (DNA) by Presidential Decree in Jul. 2025. Still, a lot of work remains to be done to establish the process for providing such authorization, including the project cycle, the timing of authorization, eligibility criteria, and related details. Government officials acknowledge these details and are working to address them in the Ministerial Resolution currently being finalized.

II.1.1 Authorization process

In this section, we will focus primarily on the authorization-related gap we identified in the resolution under development. We noted that the initial draft considered addressing procedures for cooperative approaches under bilateral agreements in a separate text. Still, we sought to incorporate this by proposing a separate chapter to be included as a core text or as an appendix. Among other things, we recommend that Uzbekistan maintain the general process for providing the authorization proposed in the initial resolution draft, while considering a specific process for the cooperative approach under the bilateral agreement in the proposed chapter to align with the Authorization process under the JCM Bilateral agreement with Japan, and to consider the same for the case of Korea and future bilateral agreements. Both arrangements are shown below.

Fig.2. General process for providing Authorization

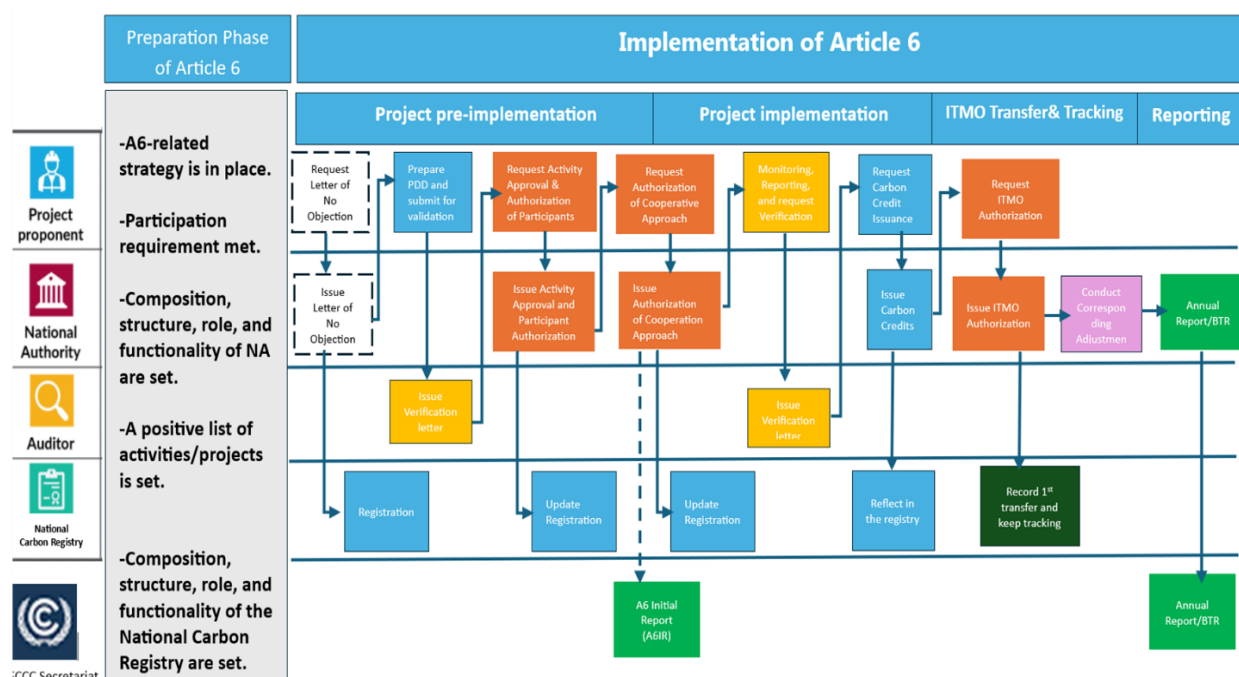
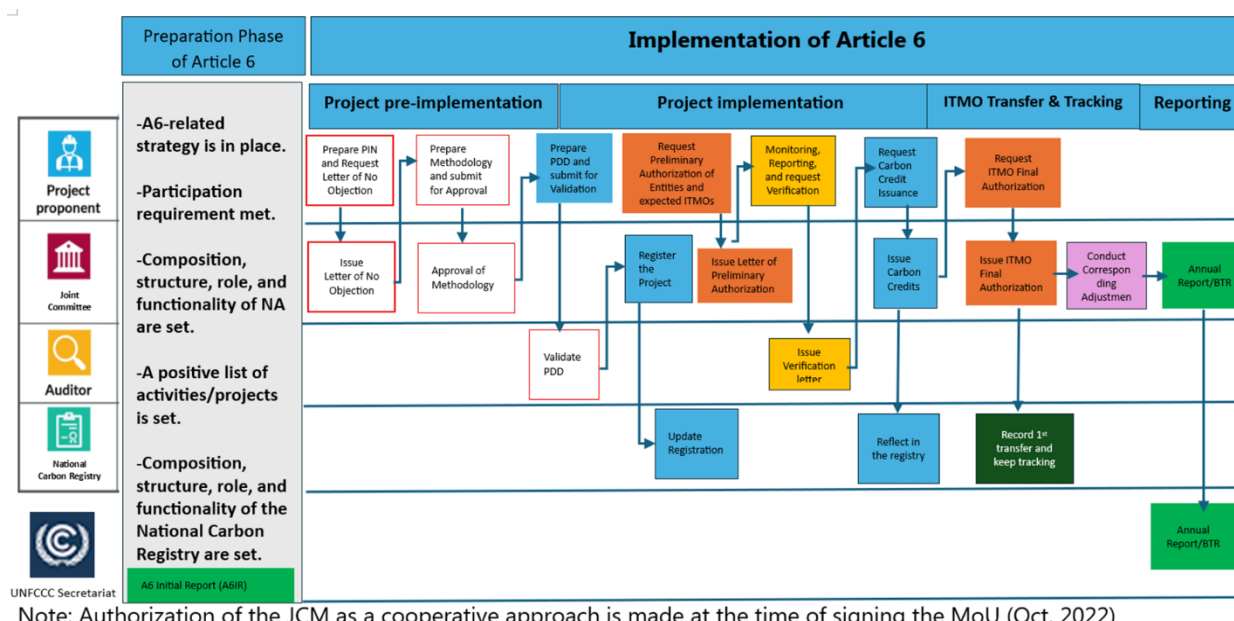


Fig.3. Specific process for providing Authorization under a Bilateral Cooperation Agreement



Note: Authorization of the JCM as a cooperative approach is made at the time of signing the MoU (Oct. 2022)

II.1.2 Development of a list of A6 mitigation activities

Uzbekistan should consider the key authorization recommendation per A6.2 Guidance and develop and publish a list of eligible mitigation activities for authorization consideration. These lists are often referred to as “positive list” or “negative list,” and help provide interested mitigation activity participants with information on the types of mitigation activities Uzbekistan is interested in implementing under Article 6. The list may also be used to allow an accelerated process for mitigation activities on this list by automatically complying with certain requirements, such as additionality or relation to NDC 3.0.

II.1.3 Eligibility criteria

Uzbekistan should consider developing eligibility criteria for authorizing cooperative approaches, entities, and ITMOs. Authorization consideration usually involves establishing eligibility criteria to determine whether the authorization will be granted. Examples of authorization criteria may be grouped into the following areas:

Table 4. Examples of authorization criteria

NDC and ambition	Environmental integrity	Sustainable development and related matters	Adaptation /OMGE
☐ Relation to NDC ☐ Technology and financial aspects ☐ Sharing of mitigation benefits	☐ Environmental integrity and related requirements ☐ Applicable mitigation activity standards	☐ Contribution to Sustainable development ☐ Safeguards/no net harm ☐ Respect for human rights	☐ Adaptation contribution ☐ Overall mitigation in global emissions (OMGE) ☐ Other benefit sharing (if any)

Topics	Authorization criteria
Relation to NDC	☐ Be an activity from the conditional portion of the NDC ☐ Be an activity that leads to GHG reduction/removal in addition to national domestic mitigation plans ☐ Included in 'positive/white list' of mitigation activities ☐ Not included in the 'red list' of mitigation activities
Technology aspects	☐ Promote development and/or transfer of advanced technology or innovation ☐ Comply with applicable technologies in the CDM positive list of technologies ☐ Avoid locking in carbon-intensive technologies or practices
Financial aspects	☐ Requires a large amount of investment
Share of mitigation benefits	☐ A share of mitigation outcomes will be reserved/levied for domestic use or other purposes ☐ Require demonstration of an appropriate allocation of mitigation outcomes ☐ Set a quantitative limit for authorized mitigation outcomes at a level below the expected mitigation that can be achieved from the activity ☐ Share of proceeds will be collected/allocated for specific purposes.
Environmental integrity (EI)	☐ Real, verified additional (2/CMA.3, annex, para. 1 (a)) ☐ No net increase in global emissions (2/CMA.3, annex, para. 18 (h)(i)) ☐ Conservative reference levels, conservative baseline below BAU (2/CMA.3, annex, para. 18 (h)(ii)) ☐ Taking into account all existing policies (2/CMA.3, annex, para. 18 (h)(ii)) ☐ Addressing uncertainties in quantification and potential leakage (2/CMA.3, annex, para. 18 (h)(ii)) ☐ Minimizing the risk of non-permanence (2/CMA.3, annex, para. 18 (h)(iii))

Based on the above examples of the authorization criteria, we considered the following in the resolution being developed:

Table 5. Proposed Authorization criteria

Topics	Authorization criteria
For carbon market activities to be authorized as a cooperative approach in accordance with Article 6.2 of the Paris Agreement	☐ The activity must be approved. ☐ Mitigation outcomes must be generated from activity types that are within the scope of Uzbekistan's Nationally Determined Contribution (NDC) and reflected in the greenhouse gas inventory. ☐ Results in emission reductions that are real, verified, and additional (meaning they would not have occurred without the cooperative approach). ☐ Ensure environmental integrity, promote sustainable development, and avoid adverse environmental, social, or economic impacts, including promoting human rights.

For carbon market activities to be approved	☐ Correspond to national and sectoral development priorities. ☐ Use a methodology from a carbon crediting mechanism that meets the requirements. ☐ Support sustainable development priorities. ☐ Have minimized the risk of non-permanence of reduced greenhouse gases. ☐ The project must be registered with a particular carbon crediting mechanism. ☐ The project must have a positive validation conclusion in accordance with the requirements of a particular carbon crediting mechanism ☐ Respect human rights and prevent negative social, environmental, and economic impacts. ☐ Have conducted consultations with stakeholders;
For activity proponents to be authorized as activity participants	☐ Be registered as a legal entity in the prescribed manner. ☐ Have the financial capacity to implement the mitigation activity. ☐ Have knowledge and experience in implementing activities related to climate change or sustainability.

II.1.4 ITMOs' retention and ITMOs' Fees

The discussion with the government official during the first business trip largely focused on two key topics, namely i) ITMOs' retention and ii) ITMOs' fee. We explained to them that several countries choose to retain ITMOs as a safeguard and/or consider ITMOs' fees, hence Uzbekistan will not be an exception. Still, we explained that, given Uzbekistan's past achievement under the NDC and its achievement eight years ahead of target, if Uzbekistan continues on this path, it may not be necessary for Uzbekistan to retain the 20% ITMO ratio mentioned in the President's decree. Keeping 20% of ITMOs that will not be traded may limit Uzbekistan's ability to financially benefit from the carbon market to advance its economy and climate agenda. Therefore, we proposed that such retention should be kept to a minimum to attract A6 projects not only under the JCM bilateral cooperation but also under any other cooperative approach.

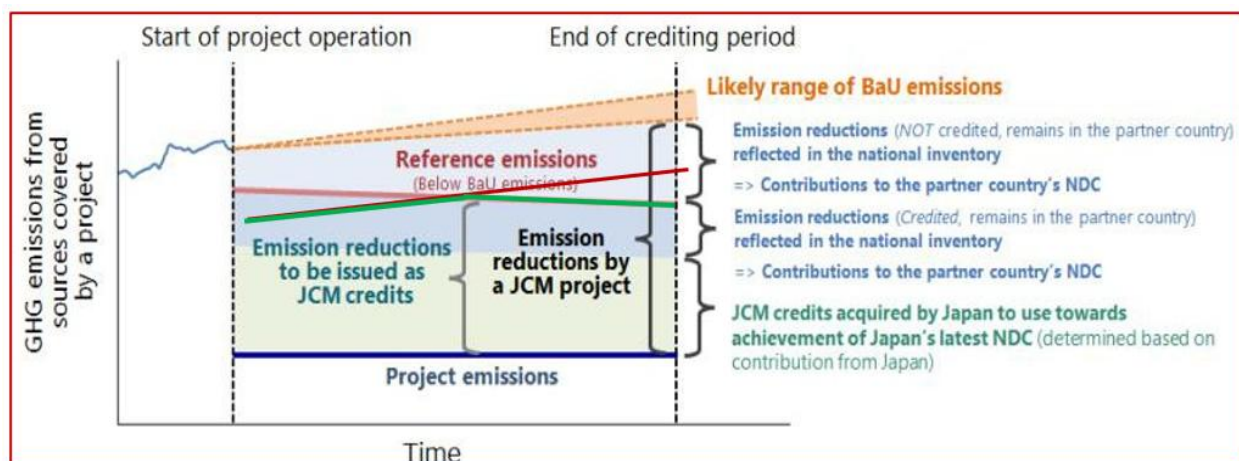
Taking the JCM as an example, we explained that BAU is conservatively calculated under the JCM; hence, additionality and environmental integrity are well considered under the scheme. Besides, projects may set reference emissions below or above 20% of the conservative emissions, so if Uzbekistan wants to retain certain carbon credits, it may do so when the reference emission is less than 20% below the conservative emission.

For example, if the reference emissions are 15% below the conservative BAU, then 5% of the carbon credits remain with Uzbekistan. If the reference emission is 25% below the conservative BAU, then there will be no retention. In other words, the sum of the difference between BaU and reference emissions, plus the credits remaining with Uzbekistan, will always be at least 20% (Fig.4). It is worth noting that the allocation of ITMOs among governments and project participants will depend on their contributions; hence, Uzbekistan's share could be larger if it justifies its contributions. Hence, everything will depend on negotiation and on the calculation methodology used.

We acknowledge that such a proposal contradicts the Presidential Decree issued in Jul. 2025, which requires a calculation based on a reference emission, not on the conservative BAU. Given that we see such

a proposal as beneficial to Uzbekistan, we proposed to amend the Presidential decree, when possible, to specify more clearly the carbon units to be retained, either in the form of ITMOs or in another form, and to allow them to be traded if the NDC is achieved.

Fig.4. Proposed ITMOs retention in Uzbekistan



As for ITMO's fees, we explained that some projects may be implemented with government support from Uzbekistan for capacity building and technical assistance. Such projects may be exempted if ITMO's fee is adequate. Besides, some early projects could be exempted from fees as an incentive to learn from doing them.

By considering the above (adjusted ITMOs retention and exemption from ITMOs fees), Uzbekistan can accelerate the adoption of the resolution and, subsequently, the implementation of the projects.

Uzbekistan may incur some financial opportunity costs, but the experience gained from early projects could be worth more.

Therefore, it is encouraged to adopt the resolution as soon as possible, with the intention of amending it and/or the presidential Decree based on experience gained from early projects under the bilateral agreement with Japan or Korea.

Given that the above may contradict the President Decree, it is advised to consider it when revising the President Decree, if possible, which we understand is not possible within one year.

II.2 National Registry

Based on discussions with government officials and detailed research, we learned that the World Bank is supporting Uzbekistan in developing its national registry by early 2026.

Here, we will provide general recommendations for establishing a national registry, as required by the TOR for this project.

Article 6.2 guidance specifies key requirements for the registry (Decision 2/CMA.3, annex, para. 29), which is further elaborated by the guidance for registries (Decision 6/CMA.4, annex I, chapter I).

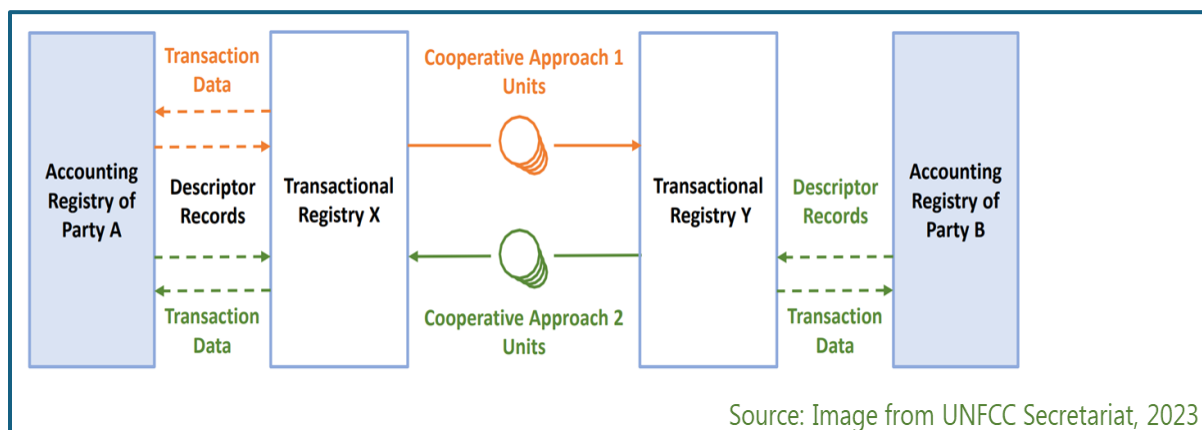
Table 6. Key requirements for the A6 registry

Key requirements	Summary
Accounts and access	The registry must have accounts for ITMOs, as necessary. It must also provide access to the country and other entities with authorized access.
Recorded actions	The registry must be able to record the following actions : authorization, first transfer, transfer, acquisition, use towards NDCs, authorization for use towards OIMPs, and voluntary cancellation (including for OMGE, if applicable)
ITMO IDs	Each ITMO must have a unique identifier (ID) . Article 6.2 guidance on registries sets out the minimum composition of the ITMO IDs.
Reporting	The registry must be implemented so that annual information can be reported in the agreed electronic format (AEF).
Form	The registry's electronic, technical, and administrative arrangements must be based on "software" that enables tracking and recording of ITMOs.

The registry, in the context of Article 6.2, must be able to track and record actions relating to ITMOs, as referred to in the Article 6.2 guidance. This function is for accounting purposes to ensure, among others, the avoidance of double-counting.

However, a registry may also serve as a transactional registry and/or a registry for generating mitigation outcomes as units (Optional for Article 6.2 purposes), allowing issuance and/or transfers of authorized mitigation outcomes. For these functions, a country may decide to use a different registry ("national registry" or "underlying registry"), based on its Article 6 implementation approaches.

Fig.5. Relationship between accounting and transactional registry



III. A step-by-step roadmap for establishing the national institutional architecture for A6 implementation in Uzbekistan

III.1. What was established

As mentioned in Section II, Uzbekistan has made significant progress, especially in 2024 and 2025, toward establishing an institutional and governance framework for carbon markets. For instance, the Presidential Decree UP-106 in Aug. 2024 established the Climate Council under the President of the Republic of Uzbekistan as a **high-level strategic oversight body** serving as the supreme consultative authority on climate change, tasked with developing the national climate strategy and monitoring the fulfillment of Uzbekistan's obligations under the Paris Agreement. The Interdepartmental Council shall also form the Working Group to coordinate measures for the transition to a "green" economy in the Republic of Uzbekistan, upon the proposal of the Ministry of Economy and Finance, which shall be independent in its conclusions.

The Presidential Decree PP-436 (December 2022) and Presidential Decree PD-110 (July 2025) assigned the Ministry of Economy and Finance (MOEF) the roles of the national body for the National Transparency System, the coordinating authority for the Sustainable Development Mechanism (Article 6.4), and the executive body responsible for regulating and managing greenhouse gas trade at both international and national levels. They assigned the Ministry of Ecology, Environmental Protection and Climate Change, along with its agency, the Agency of Hydrometeorological Service (Uzhydromet), to retain its traditional role as the UNFCCC National Focal Point responsible for the technical preparation of the national GHG inventory and for compiling national reports, such as the BTR.

From the above, the national institutional structure in Uzbekistan seems to be in place, with more details about each body's activities as follows and as addressed in the resolution being developed.

(a) **Interdepartmental Council for coordinating the transition to a green economy:**

- Defines the main principles and priority areas for participation in the carbon units market.
- Determines the annual volume of carbon units trading.
- Advises the Ministry of Economy and Finance on working with carbon units markets.
- Defines the principles for the introduction of the carbon units market.
- Supervises the implementation of the green economy strategy and policies and rules regarding carbon units markets.

(b) **Ministry of Economy and Finance:**

- Coordinates all issues related to the introduction and operation of carbon units markets.
- Decides on the suitability of carbon crediting mechanisms and methodologies based on the conclusions provided by the Working Group.
- Meetings of the Interdepartmental Council for coordinating the transition to a green economy as necessary.

- Approves guidelines, forms, and tools for the carbon units market.
- Approves activities in the carbon units market.
- Authorizes activity participants.
- Authorizes or denies authorization of cooperative approaches based on the conclusions provided by the Working Group.
- Authorizes the international transfer of mitigation outcomes.
- Signs letters of no objection, approval, and authorization.
- Take measures to conduct training on carbon units trading for interested ministries and departments, and to provide carbon market participants with all necessary information in the field of further development of the carbon market.

(c) "Green Economy Projects Center" under the Ministry of Economy and Finance (hereinafter - the Center):

- Prepares forms and templates for the approval and authorization of activities in the carbon units market.
- Maintains a national carbon units registry that includes greenhouse gas-related activities, greenhouse gas reductions, and internationally transferred mitigation outcomes.
- Coordinates and cooperates with international financial institutions and donors.
- Raises awareness among public and private sector stakeholders regarding the procedures and requirements of the international carbon units market.
- Approves the technical specifications for tenders held to select a Service Provider within the framework of state-participated projects.
- Access to information at any voluntary stage of any carbon trading project being implemented in the republic.
- Sends requests to the Working Group to assess the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC).
- Sends requests to the Working Group to assess whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.

(d) The Ministry of Ecology, Environmental Protection and Climate Change

- Along with its agency, the Agency of Hydrometeorological Service (Uzhydromet), retains its traditional role as the UNFCCC National Focal Point responsible for the technical preparation of the national GHG inventory and for compiling national reports, such as the BTR.

(e) Working Group:

- Assesses the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC).

- Provides conclusions on the authorization of cooperative approaches.
- Ensures the technical review of guidelines, methodologies, forms, and tools.
- Provides conclusions on whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.
- Responds to requests from the Center.

III.2 What remains:

As we briefly explained in Section II, although there has been significant progress advancing A6 in Uzbekistan in 2024 and 2025, much work remains. The work must address all stages, starting with developing an A6 strategy, then covering all remaining aspects related to authorization, registration, tracking, reporting, and finally project initiation, including the development of MRV methodologies and business matching for piloting. **For instance, developing an A6 Initial Report (A6IR) is among the activities of this project and will be developed in the coming weeks.**

Fig.6. Schematic diagram for a step-by-step roadmap for advancing A6 implementation



During the 1st business trip, we clearly recognized the need for capacity-building for government officials, NGOs, and the private sector. The encouraging element was the eagerness of those stakeholders to learn and their proactivity. One of the key outcomes was the idea of establishing a carbon market acceleration program to be led by the UNDP with support from A6IP (technical support) and the Ministry of Economy and Finance (in-kind support, office space), etc. The step-by-step roadmap could be further elaborated and implemented under such a program. Establishing such a program could be a significant outcome of the ongoing project and serve as a national catalyst for A6 implementation. If supported by the Japanese

government, it could also accelerate JCM implementation. More details about this proposal are given in the next section.

III.3. Roadmap & Action Plan

- **Short-Term (1–2 years):** Establish Carbon Market Acceleration Program (C-MAP), while continuing to establish institutional arrangements and processes, piloting projects, developing MRV protocols, and providing technical assistance and capacity building.
- **Medium-Term (3–5 years):** Scale sectoral pilots, enhance registry and MRV digitization (dMRV), expand private sector engagement.
- **Long-Term (6–10 years):** Integrate fully with international carbon markets, optimize ITMO issuance, meet NDC targets.
- **KPIs:** Number of authorized projects, ITMOs issued, emissions reductions achieved, SD benefits realized.

IV. Key recommendations on developing operationalizing A6-related instruments

Based on the above, the table below lists key recommendations. These recommendations will be elaborated on further in due course, after gathering more information about local circumstances and interacting with additional stakeholders and will be reflected in future reports.

Table 7. Key recommendations on developing operationalizing A6-related instruments

Key Recommendation	More specific actions
1. Establish a Clear National Governance Framework	- Define project cycle, authorization eligible sectors, and criteria
2. Develop Standardized Eligibility & Approval Procedures	- Eligibility screens for additionality, alignment, and safeguards. - Templates for Project Idea Note (PIN), participation agreements, and Letters of Authorization (LoAs).
3. Create an Integrated National MRV Architecture	- Sectoral MRV protocols aligned with IPCC + A6. - Digital MRV tools and national mitigation registry.
4. Define Authorization Policies & Corresponding Adjustment Rules	- Clear rules for ITMO authorization and Corresponding Adjustment (CA) modalities. - Safeguards to avoid overselling.
5. Develop Financial, Legal & Contractual Instruments	- Standard ERPAs, LoA annexes, pricing guidance. - Legal definitions and buyer/seller rights.
6. Build Institutional Capacity	- Training on MRV, CA, reporting. - Verifier accreditation and sectoral working groups.
7. Implement Private Sector Engagement Mechanisms	- National platform for investment pipelines and methodologies. - Incentives and sectoral roadmaps.
8. Embed Sustainable Dev & Safeguard Systems	- SD assessment framework and grievance mechanisms. - Monitor gender, jobs, and co-benefits.
9. Prepare for International Transparency & Reporting	- Reporting templates and integration into ETF/BTR. - QA/QC protocols for ITMO data.
10. Launch Sectoral Pilots	- Pilots in RE, industry, AFOLU, waste, transport.

V. Piloting A6 activities through the JCM model project in the prioritized sectors

As mentioned in section I, Uzbekistan's NDC 3.0 is comprehensive, covering the primary greenhouse gases (carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons) and focusing across five sectors: Energy, Industrial Processes and Product Use (IPPU), Agriculture, Land Use and Land Use Change and Forestry (LULUCF), and Waste giving more flexibility for A6 projects/activities such as:

- **Energy:** Promote solar, wind energy, grid connection, and energy efficiency in industry/buildings.
- **IPPU:** Process optimization.
- **AFOLU:** Reduce CH₄ emissions from livestock, implement reforestation, promote sustainable land management.
- **Agriculture:** Regenerative agriculture, climate-smart agricultural practices.
- **Waste:** Capture landfill methane, promote composting and recycling.

Driven by consistent GDP growth of around 6% per year, Uzbekistan continues to attract Japanese investment, bolstered by favorable tax policies and a 15% corporate tax rate. The number of Japanese companies operating in the country has doubled over the past five years to 54. Among them, Toyota Tsusho, through Eurys Energy Holdings, is developing a 500 MW wind power project, while Marubeni is collaborating with UAE firms on a wastewater treatment facility.

In 2024, President Shavkat Mirziyoyev met with a Japanese delegation led by Tadashi Maeda, Chairman of the Japan Bank for International Cooperation (JBIC), and Sojitz representatives. The parties agreed on a three-year cooperation program with JBIC and a strategic roadmap with Sojitz for future projects in high-tech sectors. JBIC currently supports over \$3.7 billion in joint ventures across Uzbekistan's petrochemical, textile, energy, and infrastructure sectors.

Under the current project to accelerate the implementation and operationalization of A6, we intend to focus on one or two specific projects as a model for piloting A6 activities through the JCM scheme. One of them is summarized in Fig.7 led by the Sumitomo corporation.

Fig.7. Uzbekistan Methane leakage reduction JCM project

Item	Overview
Project Overview	Reduction of methane leakage from gas pipelines at gas production plants
Implementation Area	Mubarek and Ustyurt
Technical Partner	Discussions ongoing regarding utilization of methane leak detection equipment using Japanese technology
Partner Country Project Implementation Company	VEMA S.A.
Partner Country Target Asset Holding Company	Uzbekneftegaz JSC
Partner Country Government Ministry in Charge	Ministry of Economy and Finance of the Republic of Uzbekistan
JCM Status	Project Idea Note submitted to the Joint Committee on September 24
Credit Allocation (Equivalent Adjustment)	100% Japanese side
Project Status: (FID/Finance Close/ Assumed initial credit	FS completed. Targeting FID in early FY2026. Aiming to conduct LDAR work in summer FY2026 and issue credits in FY2027
Calculation Method	JCM Methodology based on CDM AM0023 methodology
Japanese Corporate Involvement	Sumitomo Corporation (long-term credit off-take), potential utilization of Japanese corporate technologies



As depicted in Figure 7 above, a PIN was submitted on 24 September, but it appears that it has not yet received a No Objection letter. It also shows that 100% of the Credit allocation will be for the Japanese side. Still, during the call with Sumitomo Corporation on 19 November 2025, they mentioned they are open to an adjusted allocation, including a 20% retention in Uzbekistan.

To advance piloting such a project, it is necessary to accelerate the adoption of the Ministerial resolution, which in turn requires agreement on the adjusted ITMOs' retention and exemption from ITMO fees. Therefore, it is encouraged to adopt the resolution as soon as possible, with the intention of amending it and/or the presidential Decree based on experience gained from early projects such as the one introduced here, related to methane leakage reduction.

Chapter2

Operationalization of the JCM

Operationalization of the JCM in Uzbekistan

I. Review the latest version of the rules of implementation of the JCM issued by the Joint Committee (JC).

In 25 October 2022, the Government of Uzbekistan signed a bilateral cooperation agreement with the Japanese Government to develop projects under the Joint Credit Mechanism (JCM) in line with the guidance on cooperative approaches, as referred to in Article 6.2. The Uzbekistan-Japan JCM Joint Committee was established in 2023, with terms of reference outlining its roles and mandates. The first Uzbekistan-Japan Joint Committee meeting was held in 26 February 2025. At this meeting, the committee formally adopted the rules of procedure for the JC (RoP) and guidelines for implementing the JCM, establishing the operational framework for developing and approving projects¹⁰. A set of rules, guidelines, forms, and necessary documents has been developed and approved for the implementation of the JCM.

The Joint Crediting Mechanism (JCM) is a bilateral framework that enables Uzbekistan and Japan to collaborate on low-carbon development. It aims to facilitate the diffusion of, among others, leading decarbonizing technologies, products, systems, services, and infrastructure, as well as the implementation of mitigation actions, thereby contributing to reductions or removals of greenhouse gas (hereinafter, “GHG”) emissions and to sustainable development in Uzbekistan. Verified reductions or removals are issued as JCM credits that contribute to both countries’ Nationally Determined Contributions (NDCs) while avoiding double counting.

By reviewing the JCM implementation rules issued by the JC, the JCM is expected to strengthen technology cooperation, ensure environmental integrity and transparency, provide a structured pathway for measurable, verifiable mitigation outcomes, and enhance climate finance flows and private-sector participation. Key takeaways are further elaborated below:

I. 2 JCM’s scope and crediting periods

- Covers seven GHGs: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.
- Applicable period of issuance: Credits under JCM are issued based on a quantified amount of GHG emission reductions or removals from JCM projects realized after 1st January 2021 until 31st December 2030. The JC may decide to extend the period applicable for issuing JCM credits.
- Crediting periods: Each JCM project selects the crediting period, which is either a 10-year fixed or a renewable period of five (5) years, which may be renewed twice at the maximum.

I. 3 Institutional Arrangement

The JCM operates through bilateral cooperation between Uzbekistan and Japan. National institutional responsibilities include:

- Joint Committee (JC): Decision-making body composed of government representatives. Operates by consensus and adheres to procedures, including meeting schedules, documentation timelines, confidentiality, and conflict-of-interest rules.
- National Focal Point (NFP): Coordinates national oversight and serves as the primary interface with the JC and project participants.

¹⁰ Documents are available in the following link, last accessed on 10 Dec. 2025. <https://www.jcm.go.jp/uz-jp/information/545>

- JCM Secretariat: Supports the JC, manages documentation, facilitates communication, organizes meetings, and maintains records.
- Technical Experts / Panels: May be appointed by the JC to provide methodological or technical assessments.

I. 3.1 Joint Committee (JC)

The JC is a bilateral decision-making body responsible for:

- Establishing and updating all JCM rules, methodologies, guidelines, and registry specifications.
- Designating third-party entities.
- Reviewing and approving PINs, methodologies, PDDs, and project registrations.
- Setting credit allocation percentages.
- Notifying governments to issue credits and publicly disclosing issuance data.
- Developing, where necessary, reports on the status of the implementation of the JCM and discussing issues related to the operation and management of the JCM.

I. 3.2 Governments of Uzbekistan & Japan

Each government, based on the rules and guidelines to be developed by the JC, and in accordance with relevant domestic laws and regulations in respective countries, will:

- Establish and maintain national JCM registries in line with the Common Specifications of the JCM Registry.
- Issue the notified amount of JCM credits to their respective registries upon JC notification.
- Ensure transparency and prevent double-counting.

1.3.3 Third-Party Entities (TPEs)

The third-party entity designated by the Joint Committee is responsible for:

- Validating project design documents (PDDs).
- Verifying emission reductions or removal as described in the monitoring reports prepared by the project participant.
- Providing independent assurance of project performance.

1.3. 4 Responsibilities of Project Participants (PPs)

Project Participants are responsible for the full project cycle, including:

- Preparing and submitting Project Idea Notes (PINs).
- Developing methodologies and preparing PDDs.
- Drafting a Sustainable Development Implementation Plan (SDIP).
- Submitting validated PDDs and SDIP for registration.
- Implementing monitoring in line with approved methodologies.
- Submitting annual implementation reports.
- Providing monitoring reports for verification.
- Completing Sustainable Development Implementation Reports (SDIRs) before issuance.

1.3.5 Key observations

The implementation rule was developed and shared in February 2025, before Japan decided on the JCM authorization procedures. Such a topic has to be further elaborated under the RoI and/or RoI with Uzbekistan. We expect a slight amendment to those rules in due course unless any other arrangement has been agreed between the two governments.

II. Develop national technical guidelines for the design and implementation of the JCM projects

II.1 Project Eligibility Criteria

A project is eligible as a JCM project if it meets the following criteria. The National Focal Point (NFP) conducts an initial eligibility assessment against them:

- Contributes to greenhouse gas (GHG) emission reductions in Uzbekistan
- Applies an approved JCM methodology or proposes a new one
- Meets additionality requirements
- Ensures no double-counting and aligns with national inventory procedures
- Complies with national environmental and social regulations
- Demonstrates technological advancement or diffusion
- Contributes to the sustainable development priorities of Uzbekistan

II.2 The JCM Project Cycle

The JCM project cycle consists of:

- Step 1: Project Idea Note (PIN) development and submission

Project participants develop and submit a Project Idea Note (PIN) to JC, which decides whether the proposed project can proceed. Japan Government-supported projects are to be submitted by the project proponent through the government body (JCMA).

- Step 2: Methodology Development and approval

Project participants develop and submit a JCM methodology to JC, which, after running a public input process, decides whether to accept or reject it.

- Step 3 Designation of Third-party Entity (TPE)

Upon receiving an application for designation submitted by a project participant, the JC designates a third-party entity and makes the relevant information publicly available.

- Step 4: Project Design Document (PDD) development and approval

Project participants develop a PDD and submit it to the assigned TPE, which evaluates it and decides whether to approve or not approve it in accordance with JCM guidelines.

- Step 5: Review of Sustainable Development Implementation Plan

The project participants fill in the SDIP form and submit it to the secretariat for evaluation and feedback.

- Step 6: Project registration by the Joint Committee

Registration is the formal acceptance of a validated project by JC. JC registers the project and allocates credit to stakeholders.

- Step 7: Monitoring & Verification of emission reductions

Project participants monitor the project implementation and submit a monitoring report to TPE for verification and validation. Monitoring Plans must include: Parameters, measurement methods, and frequency, Metering requirements and calibration, QA/QC procedures, and Data storage and archiving for at least 7 years.

- Step 8: Verification by TPE

Confirms the accuracy of data and calculations and issues the Verification Report for the JC decision.

- Step 9: SDIP/SDIR Evaluation

The JC ensures no negative sustainable development impacts.

- Step 10: Issuance of JCM Credits

The JC notifies governments; credits are issued into each national registry.

II.3 Methodology Requirements

JCM methodologies guide baseline setting, monitoring, and calculation of emission reductions. A methodology must include:

- Clear applicability conditions
- Additionality demonstration procedure
- Baseline emissions formula
- Project emissions formula
- Monitoring parameters and QA/QC procedures

The new methodology proposals may be reviewed by JC and, where necessary, supported by technical panels. Baseline approaches may include existing efficiency benchmarks, historical performance, and Grid emissions factors.

II.4 Project Design Document (PDD) Preparation

The PDD must include:

- Project description
- Technologies and measures applied
- Baseline and project scenarios
- Monitoring plan
- Environmental and social safeguards
- Sustainable development contributions
- Stakeholder consultation summary
- Emission reduction calculations

The PDD must be prepared using the approved JCM template. Regarding sustainable development & co-benefits, the projects must demonstrate contributions among others, to economic development, environmental protection, and air quality improvement, technology transfer, and employment; hence, there will be safeguards in terms of environmental screening, social impact assessment, and worker safety and training.

II.5 Use of JCM Credits

- Credits may be used toward Japan's NDC; remaining credits may contribute to Uzbekistan's NDC.
- Credits are tradable domestically within each registry.
- Cross-border credit trading requires additional bilateral arrangements.
- All authorized credits are subject to corresponding adjustments rules aligned with Article 6.2 of the Paris Agreement, to avoid double-counting.

II.6 Policy Implications

- For Uzbekistan
 - Access to advanced Japanese low-carbon technologies.
 - Accelerated progress toward national climate goals.
 - Enhanced MRV and sustainable development governance.
- For Japan
 - Cost-effective mitigation abroad.
 - A stable, rules-based bilateral crediting system supporting Article 6.2 implementation.
- For Project Developers
 - Clear standardized procedures for validation, registration, monitoring, and issuance.
 - Predictable credit allocation and transparency safeguards.

III. Roles and responsibilities of national institutions involved in JCM and Article 6 governance

Uzbekistan has made significant progress, especially in 2024 and 2025, toward establishing an institutional and governance framework for carbon markets. For instance, the Presidential Decree UP-106 in Aug. 2024 established the Climate Council under the President of the Republic of Uzbekistan as a **high-level strategic oversight body** serving as the supreme consultative authority on climate change, tasked with developing the national climate strategy and monitoring the fulfillment of Uzbekistan's obligations under the Paris Agreement. The Interdepartmental Council shall also form the Working Group to coordinate measures for the transition to a "green" economy in the Republic of Uzbekistan, upon the proposal of the Ministry of Economy and Finance, which shall be independent in its conclusions.

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From the above, the national institutional structure in Uzbekistan seems to be in place, with more details about each body's activities as follows, and as addressed in the resolution being developed.

(a) **Interdepartmental Council for coordinating the transition to a green economy:**

- Defines the main principles and priority areas for participation in the carbon units market.
- Determines the annual volume of carbon units trading.
- Advises the Ministry of Economy and Finance on working with carbon units markets.
- Defines the principles for the introduction of the carbon units market.
- Supervises the implementation of the green economy strategy and policies and rules regarding carbon units markets.

(b) **Ministry of Economy and Finance:**

- Coordinates all issues related to the introduction and operation of carbon units markets.
- Decides on the suitability of carbon crediting mechanisms and methodologies based on the conclusions provided by the Working Group.
- Meetings of the Interdepartmental Council for coordinating the transition to a green economy as necessary.
- Approves guidelines, forms, and tools for the carbon units market.
- Approves activities in the carbon units market.
- Authorizes activity participants.
- Authorizes or denies authorization of cooperative approaches based on the conclusions provided by the Working Group.
- Authorizes the international transfer of mitigation outcomes.
- Signs letters of no objection, approval, and authorization.
- Take measures to conduct training on carbon units trading for interested ministries and departments, and to provide carbon market participants with all necessary information in the field of further development of the carbon market.

(c) **"Green Economy Projects Center" under the Ministry of Economy and Finance (hereinafter - the Center):**

- Prepares forms and templates for the approval and authorization of activities in the carbon units market.
- Maintains a national carbon units registry that includes greenhouse gas-related activities, greenhouse gas reductions, and internationally transferred mitigation outcomes.

- Coordinates and cooperates with international financial institutions and donors.
 - Raises awareness among public and private sector stakeholders regarding the procedures and requirements of the international carbon units market.
 - Approves the technical specifications for tenders held to select a Service Provider within the framework of state-participated projects.
 - Access to information at any voluntary stage of any carbon trading project being implemented in the republic.
 - Sends requests to the Working Group to assess the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC).
 - Sends requests to the Working Group to assess whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.
- (d) **The Ministry of Ecology, Environmental Protection and Climate Change**
- Along with its agency, the Agency of Hydrometeorological Service (Uzhydromet), retains its traditional role as the UNFCCC National Focal Point responsible for the technical preparation of the national GHG inventory and for compiling national reports, such as the BTR.
- (e) **Working Group:**
- Assesses the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC).
 - Provides conclusions on the authorization of cooperative approaches.
 - Ensures the technical review of guidelines, methodologies, forms, and tools.
 - Provides conclusions on whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.
 - Responds to requests from the Center.

Taking the above under consideration, and the resolution being finalized, activity proponents implementing a JCM project shall follow the sequential implementation process:

Step 1 – national pre-approval.

The activity proponent shall first obtain a LNO from the Ministry of Economy and Finance, in accordance with the procedure in Chapter 4 of this Regulation. The LNO confirms the project's preliminary alignment with national priorities.

Step 2 – bilateral mechanism registration.

After receiving the LNO, the proponent shall follow the procedures of the relevant bilateral mechanism to achieve formal registration (developing a project design document, having it validated and registered, etc.);

Step 3 – initial authorization of the cooperative approach.

Following successful registration by the bilateral governance body, the proponent shall submit a request for Initial Authorization of a Cooperative Approach to the Center, in accordance with Chapter 6 of this Regulation. The official registration document from the bilateral mechanism shall be the primary supporting document.

Step 4 – monitoring, reporting, and verification.

The proponent shall implement the project and conduct monitoring, reporting, and verification in accordance with the rules of the relevant bilateral mechanism.

Step 5 – final authorization of mitigation outcomes for international transfer.

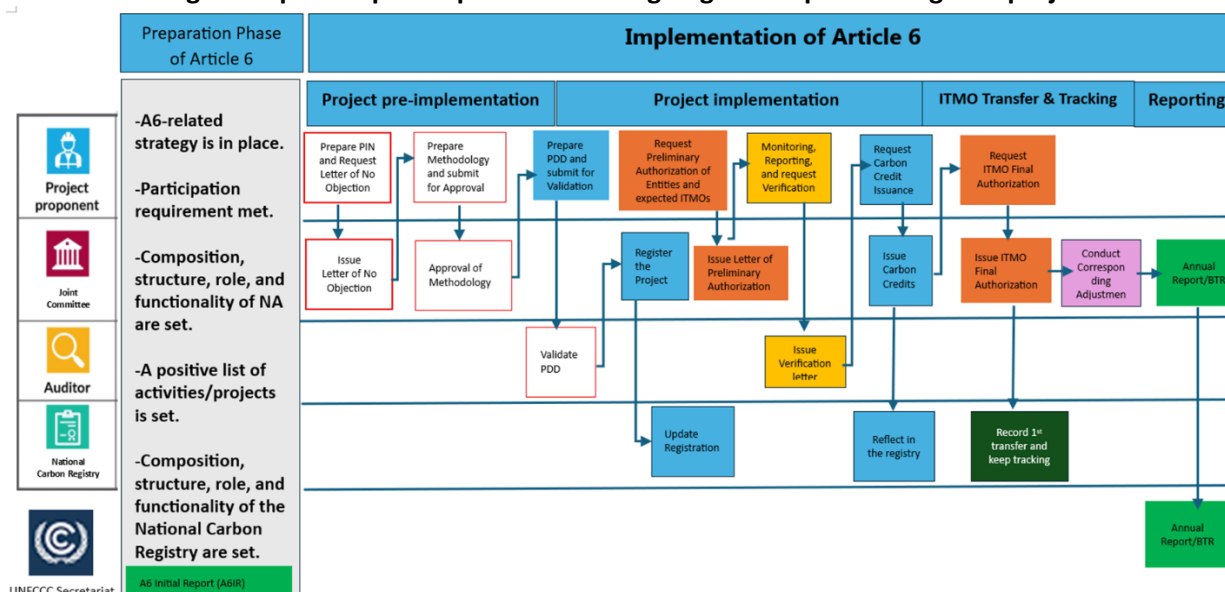
After a specific volume of mitigation outcomes has been successfully verified in accordance with the rules of the bilateral mechanism, the proponent shall submit a request for Final Authorization for ITMO to the Center, in accordance with Chapter 7 of this Regulation.

In accordance with Chapter 12 of this Regulation, 20 (twenty) percent of the total volume of verified mitigation outcomes shall be retained by the Republic of Uzbekistan for its NDC and shall not be authorized for international transfer.

The remaining 80 (eighty) percent of verified mitigation outcomes shall constitute the "tradable pool." This pool shall be allocated among project participants in accordance with the credit allocation percentage adopted by the bilateral governance body at the time of project registration.

The fees stipulated in Chapter 11 of this Regulation shall apply to all mitigation outcomes from the tradable pool that are authorized for international transfer.

Fig.1. Proposed specific process for designing and implementing JCM project



Note: Authorization of the JCM as a cooperative approach is made at the time of signing the MoU (Oct. 2022)

IV. Way forward:

IV.1. Development of a list of A6 mitigation activities

Uzbekistan should consider the key authorization recommendation per A6.2 Guidance and develop and publish a list of eligible mitigation activities for authorization consideration. These lists are often referred to as "positive list" or "negative list," and help provide interested mitigation activity participants with information on the types of mitigation activities Uzbekistan is interested in implementing under Article 6. The list may also be used to allow an accelerated process for mitigation activities on this list by automatically complying with certain requirements, such as additionality or relation to NDC 3.0.

IV.2 Have an agreement on ITMOs' retention and ITMOs' Fees

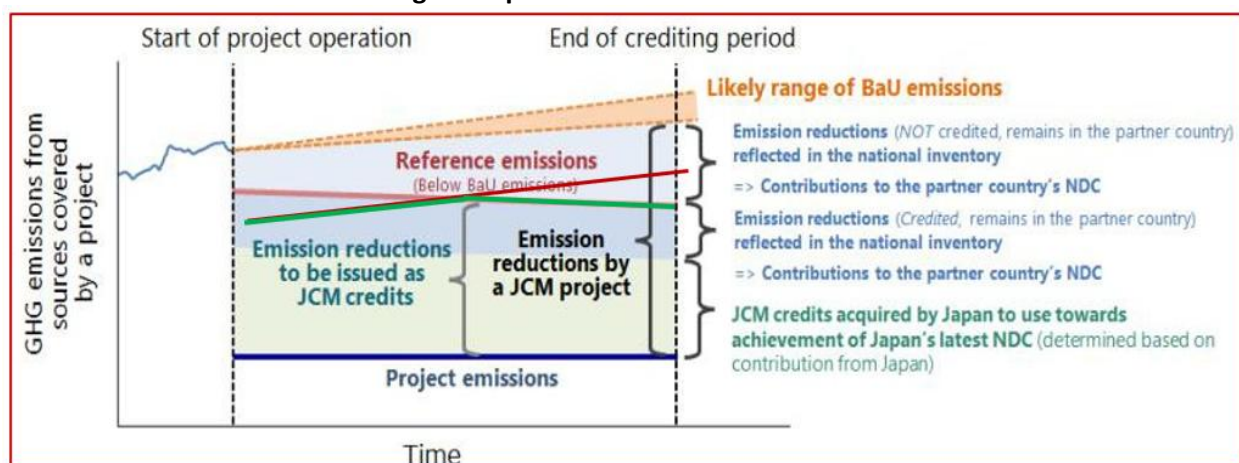
Several countries choose to retain ITMOs as a safeguard and/or consider ITMOs' fees, hence Uzbekistan will not be an exception. Uzbekistan have to decide on the ITMO retention and fees, so as to proceed with adopting the resolution to accelerate the JCM piloting/implementation. Taking the JCM as an example, we explained that BAU is conservatively calculated under the JCM; hence, additionality and environmental integrity are well considered under the scheme. Besides, projects may set reference emissions below or above 20% of the conservative emissions, so if Uzbekistan wants to retain certain carbon credits, it may do so when the reference emission is less than 20% below the conservative emission.

For example, if the reference emissions are 15% below the conservative BAU, then 5% of the carbon credits remain with Uzbekistan. If the reference emission is 25% below the conservative BAU, then there will be

no retention. In other words, the sum of the difference between BaU and reference emissions, plus the credits remaining with Uzbekistan, will always be at least 20% (Fig.4). It is worth noting that the allocation of ITMOs among governments and project participants will depend on their contributions; hence, Uzbekistan's share could be larger if it justifies its contributions. Hence, everything will depend on negotiation and on the calculation methodology used.

We acknowledge that such a proposal contradicts the Presidential Decree issued in Jul. 2025, which requires a calculation based on a reference emission rather than a conservative BAU. Given that we see such a proposal as beneficial to Uzbekistan, we proposed to amend the Presidential decree, when possible, to specify more clearly the carbon units to be retained, either in the form of ITMOs or in another form, and to allow them to be traded if the NDC is achieved.

Fig.2. Proposed ITMOs retention in Uzbekistan



As for ITMO's fees, we explained that some projects may be implemented with government support from Partner countries, such as Japan, for capacity building and technical assistance. Such projects may be exempt from paying ITMO's fee if the Uzbekistan government considers the support adequate. Besides, some early projects could be exempted from fees as an incentive to accelerate their implementation and learn from doing them.

By considering the above (adjusted ITMOs retention and exemption from ITMOs fees), Uzbekistan can accelerate the adoption of the resolution and, subsequently, the implementation of the projects.

Uzbekistan may incur some financial opportunity costs, but the experience gained from early projects could be worth more.

Therefore, it is encouraged to adopt the resolution as soon as possible, with the intention of amending it and/or the presidential Decree based on experience gained from early projects under the bilateral agreement with Japan.

Given that the above may contradict the President Decree, it is advised to consider it when revising the President Decree, if possible, which we understand is not possible within one year.

IV. Key recommendations on operationalizing JCM

As we briefly explained above, and in Progress Report 1 submitted on 30 Nov 2025, although there has been significant progress advancing A6 in Uzbekistan in 2024 and 2025, much work remains. The work must address all stages, starting with developing an A6 strategy, then covering all remaining aspects related to authorization, registration, tracking, reporting, and finally project initiation, including the development of MRV methodologies and business matching for piloting. Based on the above, the table below lists key recommendations. These recommendations will be elaborated on further in due course,

after gathering more information about local circumstances and interacting with additional stakeholders and will be reflected in future reports.

Table 1. Key recommendations on developing operationalizing A6-related instruments

Key Recommendation	More specific actions
1. Establish a Clear National Governance Framework	- Define project cycle, authorization eligible sectors, and criteria
2. Develop Standardized Eligibility & Approval Procedures	- Eligibility screens for additionality, alignment, and safeguards. - Templates for Project Idea Note (PIN), participation agreements, and Letters of Authorization (LoAs).
3. Create an Integrated National MRV Architecture	- Sectoral MRV protocols aligned with IPCC + A6. - Digital MRV tools and national mitigation registry.
4. Define Authorization Policies & Corresponding Adjustment Rules	- Clear rules for ITMO authorization and Corresponding Adjustment (CA) modalities. - Safeguards to avoid overselling.
5. Develop Financial, Legal & Contractual Instruments	- Standard ERPAs, LoA annexes, pricing guidance. - Legal definitions and buyer/seller rights.
6. Build Institutional Capacity	- Training on MRV, CA, reporting. - Verifier accreditation and sectoral working groups.
7. Implement Private Sector Engagement Mechanisms	- National platform for investment pipelines and methodologies. - Incentives and sectoral roadmaps.
8. Embed Sustainable Dev. & Safeguard Systems	- SD assessment framework and grievance mechanisms. - Monitor gender, jobs, and co-benefits.
9. Prepare for International Transparency & Reporting	- Reporting templates and integration into ETF/BTR. - QA/QC protocols for ITMO data.
10. Launch Sectoral Pilots	- Pilots in RE, industry, AFOLU, waste, transport.

Chapter3

MRV protocols for JCM projects

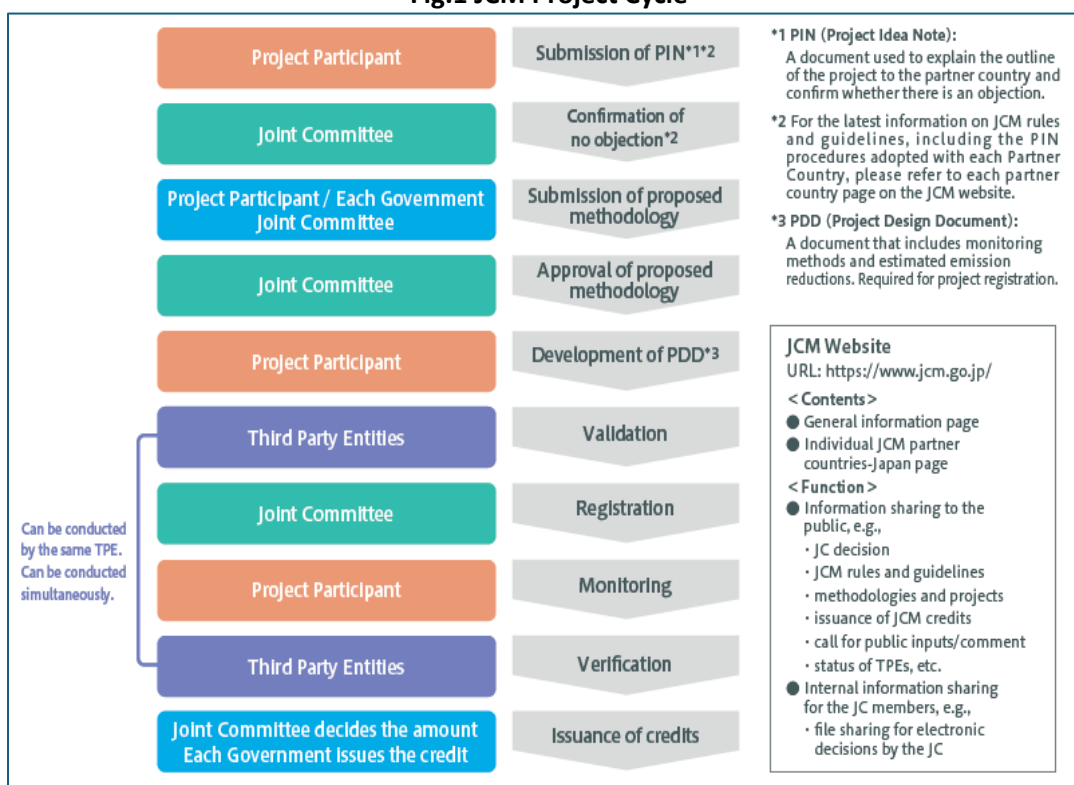
MRV protocols for JCM projects that are aligned with Uzbekistan's national transparency system

This chapter proposes an MRV (Measurement, Reporting, and Verification) protocol for the Joint Crediting Mechanism (JCM)¹¹ projects that can be integrated or aligned with Uzbekistan's national transparency system (being developed under the Paris Agreement Article 13 framework)¹².

I. JCM Project Cycle

The JCM (Joint Crediting Mechanism) Project Cycle is the step-by-step process for developing, implementing, and verifying greenhouse gas (GHG) emission reduction projects between Japan and partner countries, including Uzbekistan, involving among others, methodology approval, project design, validation, registration, monitoring, reporting, verification (MRV), and issuance of credits (JCM credits), all governed by specific rules and procedures to ensure transparency and count credits towards both nations' emission reduction targets (NDCs) (Fig.1). We will briefly outline each step of the JCM project cycle in the following subsections for further insight.

Fig.1 JCM Project Cycle



¹¹Based on the "Joint Crediting Mechanism Guidelines for Validation and Verification" available at:

https://www.jcm.go.jp/jc_decisions/2531/JCM_UZ_GL_VV_ver01.0.pdf

¹² <https://centralasiacclimateportal.org/uzbekistan-introduces-national-transparency-system-in-transition-to-green-economy/#:~:text=Climate%20change-,Uzbekistan%20introduces%20national%20transparency%20system%20in%20transition%20to%20green%20economy,change%20under%20the%20Paris%20Agreement.>

I. 1 Submission of proposed MRV methodology

Under the bilateral JCM agreement, a methodology is defined as the approved framework for calculating and monitoring greenhouse gas emission reductions achieved by a JCM project. Registration of a JCM project requires the application of an approved methodology, or a combination of approved methodologies, each of which specifies eligibility criteria, baseline determination, monitoring parameters, and calculation procedures.

Where no approved methodology is applicable, project participants may develop a new methodology or propose amendments to existing methodologies for consideration by the Joint Committee (JC). Once an applicable methodology is confirmed, project participants may proceed with preparation of the Project Design Document (PDD).

I. 2 Approval of proposed MRV Methodology

Proposed methodologies are submitted to the Joint Committee through the JCM Secretariat. Each submission undergoes a completeness check, a public input period, and a technical assessment by the Joint Committee prior to approval or rejection.

I. 3 The project design document (PDD).

The PDD constitutes the core technical and regulatory document of a JCM project. Prepared using the official JCM templates, it provides a comprehensive description of the project, including:

- Project scope and boundary;
- Application of advanced low-carbon technologies;
- Demonstration of compliance with methodology eligibility conditions;
- Estimated emission reductions;
- Monitoring plan and parameters;
- Environmental impacts and local stakeholder consultation outcomes.

The PDD is the key document in the JCM development procedure and serves as the primary source of information for project validation, registration, verification, and the issuance of JCM credits. A monitoring plan should also supplement the PDD. The monitoring plan form is part of the methodology used. The PDD should follow the *Joint Crediting Mechanism Guidelines for Developing Project Design Document and Monitoring Report, as well as the applied methodology(s)*.

I. 4 Validation

Validation is conducted by a Joint Committee–accredited Third-Party Entity (TPE) in accordance with the JCM Guidelines for Validation and Verification, which reference ISO 14064-3 standards. Validation includes desk reviews, on-site assessments, and consideration of public input. The outcome is documented in a validation report submitted to the project participants.

I. 5 Registration

Registration is the formal acceptance of a JCM project. Following positive validation, project participants submit a formal registration request to the JC. Upon successful completion of the review, JC decides on registration. Registered projects are publicly disclosed through the JCM website.

I. 6 Monitoring

Monitoring involves systematic data collection in accordance with the registered PDD and approved methodology. Project participants define monitoring periods and form the basis for emission reduction calculations reported in monitoring reports. Once monitoring for a given monitoring period is completed,

the collected data, information, and corresponding calculations for emission reductions are reported in the monitoring report through the relevant sections of the registered PDD. The monitoring report is then used as the basis for the verification process and issuance of credits.

I. 7 Verification

Verification is the independent assessment of monitoring reports and emission reduction calculations by a TPE. Verification confirms compliance with the registered PDD, methodology, and JCM rules, and provides the technical basis for credit issuance. A verification report prepared by the TPE containing the assessment results and findings will serve as the basis for determining the number of credits to be issued for the JCM project. During verification, the TPE may also conduct a site visit and interview relevant stakeholders.

I. 8 Issuance of Credits

Upon receiving the verification report from the TPE, project participants request issuance of credits by submitting a Credits Issuance Request Form, information on the prorated allocation of credits among the project participants, the verified monitoring report, and the verification report to the JC through the secretariat. After conducting a completeness check, the JC determines the number of credits to be issued based on the verification report. Each government issues the credits to the relevant project participants' accounts in its respective registry. The secretariat archives all credit issuance data and makes it publicly available on the JCM website.

II. JCM MRV Protocols & Key Documents

II.1. JCM MRV Rules & Guidelines

The JCM MRV Protocol that we intend to develop will be governed by:

- Guidelines for Validation and Verification.
- Guidelines for Developing Project Design Documents and Monitoring Reports;
- JCM Project Cycle Procedures.

These instruments establish robust requirements for accuracy, completeness, consistency, transparency, and credibility, aligned with international standards.

- **Guidelines for Validation and Verification (V&V Guidelines)**
 - Set minimum requirements for how TPEs conduct validation and verification activities.
 - Reference ISO 14064-3 standards for GHG verification and validation.
 - Require robust assessment of accuracy, completeness, consistency, transparency, and credibility of monitoring and reporting.
- **Guidelines for Developing Project Design Documents and Monitoring Reports**
 - Define how project design and monitoring reports must be formatted and prepared for MRV submission.
 - Establish monitoring parameters, data collection procedures, and reporting obligations.
- **JCM Project Cycle Procedures**
 - Details when MRV occur related to project submission, validation, verification, and credit issuance.
 - Guide submission to the Joint Committee and issuance of credits.

II. 2 Alignment with Uzbekistan's National Transparency System

Uzbekistan is establishing a National Transparency System pursuant to Article 13 of the Paris Agreement, supported by Presidential Decrees and sectoral regulations. The system provides a unified framework for national GHG inventories, mitigation tracking, and international reporting.

The Ministry of Economy and Finance serves as the national coordinating authority, while Uzhydromet is responsible for preparing the national GHG inventory.

Key Overlap Areas Between JCM MRV & Uzbekistan's National MRV

Aspect	JCM MRV System	Uzbekistan National Transparency (MRV)
GHG Monitoring Standards	Uses approved methodologies and MRV reporting requirements, including ISO references.	The national system will monitor emission inventories across sectors and ensure data accuracy.
Verification	Independent verification by TPEs per JCM guidelines.	The national transparency system will ensure verification of national GHG information and the quality of reporting.
Reporting & Transparency	Reporting to the Joint Committee and sharing bilateral records.	Reporting to UNFCCC as part of national transparency reporting (NIRs, BURs).
Data Integrity	Project-level emission data is subject to audit and validation.	National data is subject to quality checks and oversight by the coordinating ministry.

II. 3 Practical Alignment Measures

To ensure interoperability between JCM MRV and the NTS, the following measures are recommended:

- Harmonization of emission factors and source categories with national inventory methodologies.
- Alignment of reporting timelines to support national reporting cycles.
- Adoption of compatible QA/QC procedures.
- Institutionalized data exchange between JCM authorities and national MRV institutions.
- Integration of project-level MRV data into national digital reporting platforms.

Map JCM MRV Indicators to National Reporting Needs

- GHG Emission Factors & Source Categories in JCM PDD/MR should be consistent with national inventory categories (e.g., IPCC categories used in the national system).
- Reporting periods and review timelines should be coordinated to feed into both national reports and JCM credit issuance.

Use Compatible Data Collection Protocols

- Ensure that monitoring equipment, data collection, and QA/QC procedures in JCM project MRV meet or exceed national transparency data quality standards.

Build Institutional Linkages

- Designate focal points in ministries (Environment, Economy & Finance) responsible for both national MRV compliance and JCM project support.
- Institutionalize communication between the JCM Joint Committee representatives and the national transparency coordination body.

Leverage Third Party Entities (TPEs) for Verification

- TPEs accredited under JCM can assist national transparency verification efforts, contributing to building national verification capacity and consistency.

Integrate Reporting Platforms

- Consider linking project-level MRV reporting to the national transparency system's online platform (planned under the national MRV framework) so project data contributes to national inventories and periodic reports.

II. 4 Institutional Roles and Responsibilities

Institutional Roles

Function	Responsible Entity
National MRV oversight	Ministry of Economy and Finance (MoEF)
National GHG inventory	Uzhydromet
JCM Project registration	Japan–Uzbekistan Joint Committee
Monitoring & reporting	project participants
Validation & verification	Accredited TPEs
Credit Issuance	Japan–Uzbekistan Joint Committee
ITMOs authorization & tracking	Ministry of Economy and Finance (MoEF)
Reporting to UNFCCC (BTR, Article 6)	Ministry of Environment (MoE)

III. General MRV Protocol

III. 1 General MRV Architecture (common to All Sectors)

The general MRV architecture comprises validation, monitoring, verification, credit issuance, and integration into Uzbekistan's NTS. Mandatory elements include clearly defined baselines, approved monitoring parameters, QA/QC procedures, and data archiving for a minimum of ten years. Verification is conducted at a reasonable assurance level in accordance with ISO 14064-3:2019, with a materiality threshold of five percent. Robust data management ensures traceability from project-level monitoring through national inventories and Biennial Transparency Reports, while specific safeguards prevent double-counting of emission reductions.

Stage	Key Output	Reference
Validation	Validated PDD	JCM V&V Guidelines
Monitoring	Monitoring Report	JCM PDD & Monitoring Guidelines
Verification	Verification Report	ISO 14064-3 & JCM rules
Issuance	Crediting decision	JCM Joint Committee
National integration	Inventory & BTR inputs	Uzbekistan NTS

III. 2 Monitoring Requirements (Generic)

Mandatory elements (all sectors):

- Clearly defined baseline scenario.
- Project boundary consistent with approved methodology.
- Monitoring parameters exactly as specified in the JCM methodology.
- QA/QC procedures.
- Data archiving for ≥ 10 years.

Monitoring Options

- Option A: Default values (limited use).
- Option B: Calculated parameters.
- Option C: Direct measurement (preferred).

III. 3 Verification & Assurance

- Verification by **JCM-accredited Third-Party Entities (TPEs)**.
- Reasonable assurance level per **ISO 14064-3:2019**.
- Materiality threshold: **5%**.

- Mandatory site visit (at least first verification).

III. 4 Quality Assurance and Quality Control (QA/QC)

Project-Level QA/QC

- Data completeness checks.
- Calibration logs.
- Internal consistency checks.

National-Level QA/QC

- Cross-check with inventory trends.
- Outlier analysis.
- Reconciliation with sector statistics.

III. 5 Verification, Assurance, and Materiality

- Verification conducted under **ISO 14064-3:2019**.
- Reasonable assurance level.
- Materiality threshold: **5% of emission reductions**.
- CARs, CLs, FARs handled per Uzbekistan JCM VV Guidelines.
-

III. 6 Data Management & National Reporting Linkage

Project → Monitoring Report → Verification Report → National MRV Database → GHG Inventory → BTR / Article 6 Tables.

III. 7 Data Harmonization Rules

- National emission factors take precedence.
- JCM conservative defaults where national data is unavailable.
- Clear flagging of internationally transferred mitigation outcomes (ITMOs).

III. 8 Avoidance of Double Counting

- Mandatory declaration in MoC
- Cross-check against:
 - CDM.
 - Article 6.4 pipeline.
 - Domestic mitigation programs.
- Issued credits recorded in **the national Article 6 tracking system**.

III. 9 Reporting Outputs

Output	Frequency	Recipient
Monitoring Report	Annual	DNA, TPE
Verification Report	Per issuance	Joint Committee
Aggregated MRV dataset	Annual	MoE / Uzhydromet
Article 6 ledger entry	Per issuance	NTS

III.10 References

- Joint Crediting Mechanism Guidelines for Validation and Verification.
- JCM Project Cycle Procedure.
- ISO 14064-3:2019.
- IPCC 2006 & 2019 Guidelines.

- Uzbekistan National GHG Inventory Framework.
- Approved JCM Methodologies.

IV. JCM MRV Methodologies

Based on a review of available JCM methodologies (attached in the appendix) we could mainly observe the following:

- **Strong concentration in energy efficiency and energy supply**
 - The overwhelming majority of JCM methodologies fall under:
 - Energy demand (end-use energy efficiency).
 - Energy industries (renewable and non-renewable sources).
 - Typical applications include:
 - High-efficiency boilers, chillers, air conditioners.
 - Industrial motors and equipment upgrades.
 - Renewable power generation (solar, biomass, waste heat recovery).
- **Limited direct coverage of hard-to-abate industrial processes**
 - Very few methodologies explicitly target:
 - Cement clinker production.
 - Primary steelmaking.
 - Refineries.
 - Basic chemicals (e.g., ammonia, ethylene, methanol).
 - Manufacturing-related methodologies mainly focus on:
 - Auxiliary energy systems (boilers, utilities, waste heat).
 - Cross-cutting efficiency improvements, not core process emissions.
- **Relatively simple and robust MRV frameworks**
 - MRV systems emphasize:
 - Direct measurement of energy consumption or output.
 - Limited use of complex modeling.
 - Strong technical foundations.
 - Conservative baseline setting (e.g., grid emission factors, performance benchmarks),
 - Clear parameter definitions and monitoring approaches,
 - Technology-based baselines that reduce the risk of manipulation.
 - Most methodologies are suitable for:
 - Small to medium-scale projects
 - Replication across facilities
 - Implication: JCM MRV practices are well aligned with Article 6.4's emphasis on transparency and conservativeness but may need expansion for complex industrial processes.
- **Host country concentration and bilateral character**
 - Methodologies are concentrated in a small number of partner countries, notably:
 - Bangladesh
 - Cambodia
 - Indonesia
 - Mongolia
 - Thailand
 - Vietnam
 - Implication: Unlike CDM or future Article 6.4 mechanisms, JCM methodologies are not designed for global applicability, which may limit direct transition without adaptation.
- **Weak coverage of non-energy sectors**

- Very limited presence of methodologies addressing:
 - Waste (beyond energy recovery)
 - Agriculture
 - Industrial gases
 - AFOLU / REDD+
 - Implication: JCM is not a balanced portfolio mechanism; it is energy-centric, which contrasts with the broader sectoral scope envisioned under Article 6.4.
- **Strategic takeaway for policymakers**
- JCM methodologies are best viewed as:
 - Early-stage Article 6 pilots
 - Tools for incremental mitigation and technology transfer
 - For hard-to-abate sectors, they should be:
 - Complemented by new Article 6.4 methodologies targeting core industrial processes
 - Used as supporting instruments, not primary decarbonization levers.

V. Sector-Specific MRV Protocols

V. 1 Energy Efficiency

The MRV protocol for energy efficiency projects covers industrial facilities and buildings, with monitoring focused on energy consumption, production output, and applicable emission factors. Data are mapped to national Energy and IPPU inventory categories.

Applicable JCM Methodology Types

- High-efficiency boilers, motors, chillers
- Waste heat recovery
- Industrial process optimization
- Building retrofits (HVAC, insulation, lighting)

Key Parameters

Parameter	Unit	Source
Fuel consumption	TJ / m ³ / tons	Metered
Electricity consumption	MWh	Utility bills
Output (production, floor area)	unit	Plant records
Grid Emission Factors	tCO ₂ /MWh	IPCC / national defaults
Fuel emission factor	tCO ₂ /GJ	IPCC / national defaults

Baseline & Project Emissions

- Baseline: historical average or benchmark
- Project: monitored post-implementation energy use

Monitoring Frequency

- Continuous metering or monthly aggregation
- Annual reporting to align with the inventory cycle
- Energy consumption: continuous or monthly
- Production output: monthly
- Calibration: annually

Verification

- On-site inspection at first verification
- Calibration checks as per JCM rules
- Cross-check with production statistics

NTS Integration

- Mapped to **IPPU** or **Energy sector** inventory categories

- Emission factors aligned with national inventory values
- Data feeds directly into BTR mitigation tables

V. 2 Renewable Energy

Renewable energy MRV protocols address solar, wind, hydropower, biomass, and biogas projects. Continuous metering and reconciliation with grid statistics ensure consistency with national energy balances.

Applicable JCM Methodology Types

- Solar PV
- Wind power
- Small hydropower
- Biomass (non-land-use)
- Biogas electricity

Key Parameters

Parameter	Unit	Source
Electricity generated	MWh	Metered
Grid Emission Factors	tCO ₂ /MWh	IPCC / national defaults
Exported electricity	MWh	Grid operator
Operating hours	Hours	SCADA/logs

Baseline Emissions

- Grid electricity displaced

Monitoring

- Continuous metering
- Monthly data aggregation

Verification

- Meter calibration
- Grid EF consistency check
- Avoidance of double-counting with national RE targets

NTS Integration

- Feeds into Energy Sector – Power Generation
- Enables reconciliation with renewable capacity statistics

V. 3 Transport

Transport MRV protocols cover modal shift, electric mobility, fuel efficiency improvements, and public transport enhancements. Monitoring relies on fuel records, electricity use, GPS data, and sampling approaches consistent with JCM rules.

Eligible Activities

- Modal shift (road → rail)
- Electric vehicles
- Fuel efficiency improvements
- Public transport upgrades
- Logistics Optimization

Parameter	Unit	Source
Vehicle-km travelled	km	GPS / logs
Fuel consumption	Liters, kg	Fuel records
Electricity use (EVs)	kWh	Charging logs
Occupancy/load factor	%, pkm / tkm	Surveys

Baseline Emissions

- Conventional vehicle fleet performance

Monitoring

- Quarterly aggregation
- Annual reporting
- Fuel logs and GPS data
- Electricity billing records
- Sampling allowed for fleets (per JCM rules)

Verification

- Sampling approach permitted
- Cross-check with national transport statistics

NTS Integration

- Mapped to the Transport sub-sector of the Energy inventory
- Activity data consistent with national transport statistics
- Supports mitigation impact tracking under NDC.

IV.4 Waste

Waste sector MRV protocols address landfill gas recovery, waste-to-energy, composting, anaerobic digestion, and wastewater treatment. These protocols strengthen national methane accounting and support higher-tier inventory estimates.

Eligible Activities

- Landfill gas capture
- Waste-to-energy
- Composting
- Anaerobic digestion
- Wastewater treatment

Parameter	Unit	Source
Waste quantity	tons	Weighbridge
Methane captured	m ³	Gas meters
Electricity/heat generated	MWh	Plant meters
Methane correction factor	-	Methodology
Flaring efficiency	%	

Baseline Emissions

- Uncontrolled methane emissions

Monitoring

- Continuous gas flow measurement
- Periodic methane concentration testing
- Conservative default values where direct measurement is unavailable
- Monthly reporting

Verification

- Site visit mandatory
- Methane destruction efficiency check

NTS Integration

- Mapped to Waste sector inventory
- Improves Tier 2 methane estimates
- Supports methane mitigation reporting in BTRs

VI. Summary/Conclusion/Key takeaways

The proposed MRV protocols demonstrate that JCM implementation can be harmonized with Uzbekistan's National Transparency System. Adoption of this framework will enable Uzbekistan to operationalize Article 6 cooperation, particularly the JCM, with high environmental integrity, reinforce national MRV institutions, and ensure that international carbon market participation directly supports national climate objectives.

➤ **References**

- Joint Crediting Mechanism Guidelines and Project Cycle Procedures.
- ISO 14064-3:2019.
- IPCC 2006 and 2019 Guidelines.
- Uzbekistan National GHG Inventory Framework.
- Approved JCM Methodologies.

➤ **Appendix:**

- JCM DATABASE Attached separately in an Excel file(or uploaded directly to Google Drive to be shared when submitting this report)

Chapter 4

Training module for government officials

Training module for public officials and technical professionals

III. Training Module on A6 Implementation

IV. Training Module on JCM operationalization

V. Best International practices and implementation models

Reference (Training materials will be shared in Google Drive when submitting this report)

List of reference materials on Article 6 of the Paris Agreement and the Joint Crediting Mechanism (JCM)

1. Article 6 Educational Video Series

<https://a6partnership.org/knowledge-hub/a6ip-capacity-building-tools>

1) Article 6 Educational Videos Module I

- Part I The Role of Carbon Markets and Article 6 in Promoting Achievement of the Paris Goals
- Part II Approaches to Cooperate under Article 6: With Focus on Bilateral Market-Based Cooperation

2) Article 6 Educational Videos Module II

- Part I: Financing Carbon Market Projects through Article 6 and the Project Cycle

- Part II: Carbon Market Ecosystem and Financing

3) Article 6 Educational Videos Module III

- Part I: What is Needed to be in Place by the Government to Authorize Article 6 Projects

- Part II: How ITMOs are Tracked, Reported, and Used to Achieve NDCs

2. A6IP Capacity Building Tools: Article 6 Introductory Guide

<https://a6partnership.org/knowledge-hub/a6ip-capacity-building-tools/article-6-introductory-guide>

- Part I: Introduction
- Part II: Authorization
- Part III: Tracking
- Part IV: Reporting & Review

3. Operationalizing Article 6.2 of the Paris Agreement: Achieving ambitious climate action through cooperative approaches

<https://www.learningfornature.org/en/courses/operationalizing-article-6-2-of-the-paris-agreement-achieving-ambitious-climate-action-through-cooperative-approaches/#learndash-course-content>

4. The Paris Agreement Article 6 Implementation Status Report (2025 Edition)

<https://ca1-aip.edcdn.com/knowledge-hub/The-Paris-Agreement-Article-6-Implementation-Status-Report-2025-Edition.pdf?v=1761224037>

5. Japan's Approach to Article 6: The Role of the Joint Crediting Mechanism and Its Latest Progress

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Chapter 5

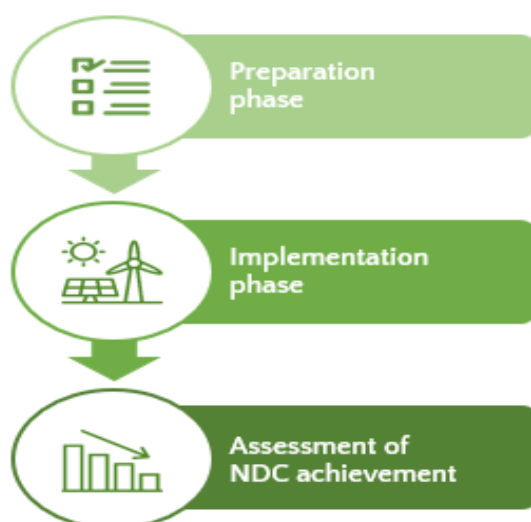
Holistic strategy for engagement under A6

Holistic strategy & guiding principles for engagement under A6 in Uzbekistan

Operationalizing A6 activities in Uzbekistan

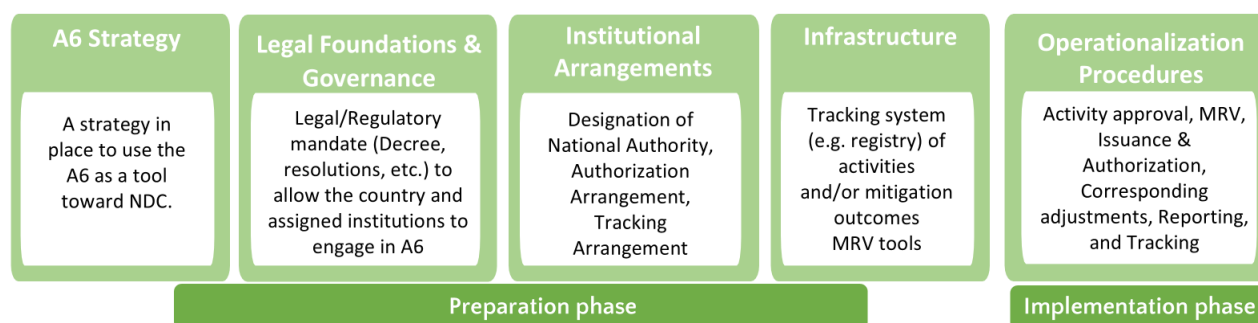
To operationalize A6 activities in Uzbekistan, and ultimately the Joint Credit Mechanism between Japan and Uzbekistan (JCM), the country needs a holistic approach that starts with a preparation phase, followed by an implementation phase, and ends with an assessment of NDC achievement (Fig. 1). This chapter focuses more on the preparation and implementation phases, as they are the most urgent.

Fig.1. Key phases for A6 operationalization



The preparation phase itself can include the development of an A6 strategy, a legal framework (for the strategy to be implemented), an institutional arrangement (established according to the legal framework), and an infrastructure (that enables the institution to operate), whereas the implementation phase includes generally the processes of project's no objection, registration, authorization, monitoring, validation and verification, carbon unit issuance, ITMO transfer, corresponding adjustment, reporting and tracking (Fig. 2)

Fig.2 Key elements to be considered for A6 operationalization



Drawing on Uzbekistan's current readiness efforts and international A6 good practices, this chapter tries to provide a detailed breakdown of a holistic strategy & guiding principles for engagement under A6 in Uzbekistan.

I. 1 Preparation Phase

I. 1.1 Strategy

Although Uzbekistan doesn't have an A6-related strategy per se, it can still refer to the Uzbekistan 2030 strategy, which was developed based on experience gained during the implementation of the New Uzbekistan Development Strategy, as a key document that defines the main directions of the country's development over the next few years and aims to achieve 100 goals across 5 priority areas, with conserving water resources and protecting the environment as one of them. The strategy should be used in combination with the recently developed NDC.3.0 to ensure consistency. Developing a National A6 Strategy aligned with NDC 3.0 priorities, outlining targeted sectors in positive and/or negative lists, and envisaged cooperation pathways (under A6.2 and A6.4) would be ideal, providing confidence and clarity to buyer countries, project developers, sectoral ministries, and investors.

I. 1.2 Legal foundation and governance

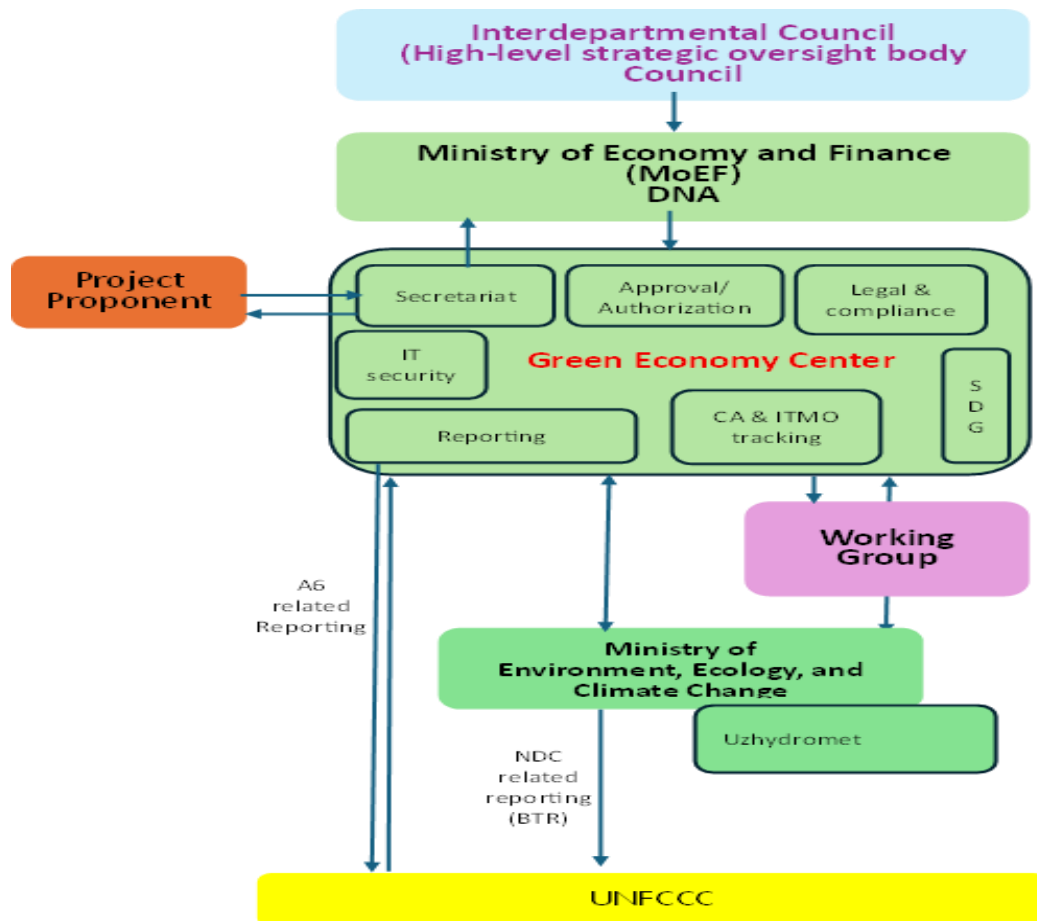
To operate A6 activities, a clear legal framework for A6 participation is essential. This legal framework must align with Uzbekistan's NDC priorities and ensure environmental integrity, additionality, and transparency. So far, Uzbekistan has issued several important decrees and resolutions that can be directly or indirectly related to A6. For instance, the Decree of the President PD-110 (July 2025) "On Measures to Participate in the International Carbon Market" directly authorizes participation in Article 6, introduces the concept of ITMOs, establishes authorization procedures, and sets a deadline for the National Carbon Registry. It is a necessary legal tool, but not sufficient. Such a legal framework will be further enhanced by finalizing and adopting the cabinet of ministers' resolutions approving the regulation on measures to fulfill international obligations to reduce greenhouse gas emissions and to participate in the international carbon unit market, hopefully very soon.

I. 1.3 Institutional Arrangement

The A6-related institutional arrangement in Uzbekistan seems to be in place (Fig.3.) based on the Presidential Decree PP-436 (December 2022) and Presidential Decree PD-110 (July 2025) that assigned the Ministry of Economy and Finance (MOEF) the roles of the national body for the National Transparency System, the coordinating authority for the Sustainable Development Mechanism (Article 6.4), and the executive body responsible for regulating and managing greenhouse gas trade at both international and national levels. They assigned the Ministry of Ecology, Environmental Protection and Climate Change, along with its agency, the Agency of Hydrometeorological Service (Uzhydromet), to retain its traditional

role as the UNFCCC National Focal Point responsible for the technical preparation of the national GHG inventory and for compiling national reports, such as the BTR.

Fig.3 A6-related institutional arrangement in Uzbekistan



From the above, the national institutional structure in Uzbekistan appears to be in place, with the resolution being developed to further specify each body's activities as follows.

(a) Interdepartmental Council for coordinating the transition to a green economy:

- Defines the main principles and priority areas for participation in the carbon unit market.
- Determines the annual volume of carbon unit trading.
- Advises the Ministry of Economy and Finance on working with carbon unit markets.
- Defines the principles for the introduction of the carbon unit market.
- Supervises the implementation of the Green Economy strategy and policies and rules regarding carbon unit markets.

(b) Ministry of Economy and Finance (DNA)

- Coordinates all issues related to the introduction and operation of carbon unit markets.

- Decides on the suitability of carbon crediting mechanisms and methodologies based on the conclusions provided by the Working Group.
- Approves guidelines, forms, and tools for the carbon unit market.
- Approves activities in the carbon unit market.
- Authorizes activity participants.
- Authorizes or denies authorization of cooperative approaches based on the conclusions provided by the Working Group.
- Authorizes the international transfer of mitigation outcomes.
- Signs letters of no objection, approval, or authorization.
- Take measures to conduct training on carbon unit trading for interested ministries and departments, and to provide carbon market participants with all necessary information in the field of further development of the carbon market.

(c) "Green Economy Projects Center" under the Ministry of Economy and Finance:

- Prepares forms and templates for the approval and authorization of activities.
- Maintains a national carbon unit registry that includes greenhouse gas-related activities, greenhouse gas reductions, and internationally transferred mitigation outcomes.
- Coordinates and cooperates with international financial institutions and donors.
- Raises awareness among public and private sector stakeholders regarding the procedures and requirements of the international carbon unit market.
- Approves the technical specifications for tenders held to select a Service Provider within the framework of state-participated projects.
- Access to information at any voluntary stage of any carbon trading project being implemented.
- Sends requests to the Working Group to assess the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC) or to assess whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.

(d) The Ministry of Ecology, Environmental Protection and Climate Change

- Along with its agency, the Agency of Hydrometeorological Service (Uzhydromet), retains its traditional role as the UNFCCC National Focal Point responsible for the technical preparation of the national GHG inventory and for compiling national reports, such as the BTR.

(e) Working Group:

- Assesses the impact of authorizing and transferring mitigation outcomes on the Nationally Determined Contribution (NDC).
- Provides conclusions on the authorization of cooperative approaches.
- Ensures the technical review of guidelines, methodologies, forms, and tools.
- Provides conclusions on whether carbon crediting mechanisms and methodologies under which activities can be registered meet the requirements.
- Responds to requests from the Center.

From the above, while the institutional arrangement seems to be in place, we observed a knowledge gap among government officials regarding the carbon market in general and A6 in particular. Several international and regional institutions are providing support, namely UNDP, GIZ, the World Bank, and

A6IP. Their support needs to be better designed and more coordinated. We think their capacity-building support should shift from ad hoc training to embedded, continuous advisory support; shift from fragmented donor support to programmatic coordination; shift from individual expertise to institutionalized functions. To that end, the needs should be identified, and the kind of support should be mapped, who is doing what, to leverage each institution's comparative advantage. It can also be followed by establishing a carbon market acceleration or support unit, perhaps within the Green Economy Center under the Ministry of Economy and Finance. It is not a training platform alone, but rather a delivery engine for the Carbon market and A6 operation. The unit may include national and/or international carbon market legal experts, MRV/GHG accounting specialists, registry and IT systems experts, climate finance/Article 6 project structuring experts, and reporting & corresponding adjustment specialists.

I. 1.4 Infrastructure

Operationalizing A6 hinges on robust infrastructure that may include, among other things, the following:

A. National Carbon Registry

- A secure, transparent **registry system** to record issuance, holding, transfer, and cancellation of mitigation outcomes (ITMOs).
- Systems interoperable with **UNFCCC registry requirements** and partner country registries.
- Capabilities for **real-time tracking**, audit trails, and reporting.

While Uzbekistan is developing its national registry with support from the World Bank (WB), it is also possible to use the registries of independent standards, e.g., Gold Standard, Verra, and Global Carbon Council, or use the Japan JCM registry, or use the international registry currently being developed by the UNFCCC¹³. Example of registries that can be used in the table below:

Table1. Example of registries that can be used

Registry name	Provider	Brief description	Link
National Core Carbon Registry and National Enhanced Carbon Registry	World Bank	Built on open-source software, provides a national-level registry infrastructure enabling member countries to issue digital carbon assets.	Click here
National Carbon Credit Registry	UNDP	A digital public good (DPG), enables carbon credit tracking transactions from mitigation activities. Any country can customize and deploy a local version of the registry.	Click here
JCM Registry	Ministry of Environment, Japan	Partner countries may request the use of the JCM Registry for Article 6.2 cooperation.	Click here

¹³ <https://unfccc.int/news/development-of-paris-agreement-article-6-registry-infrastructure-begins>

B. Negative and/or positive lists

It is necessary to develop a positive and/or negative list of eligible mitigation activities to protect NDC achievement, expedite approvals (Administrative efficiency), reduce political risk (Political acceptability), and build investor confidence and guidance on the types of mitigation activities Uzbekistan is interested in implementing under Article 6. As an exercise at the workshop organized by UNDP on 5 March, a positive draft list was produced. Building on this exercise, a more comprehensive list should be developed, made public for public input, and then considered.

Sector	Eligible Activities
Energy Sector	• Small hydropower (<20 MW) • Hybrid renewable systems (solar + storage) • Fuel Switch
Buildings & Energy Efficiency	• Energy efficiency retrofits in public buildings (schools, hospitals) • Heat pumps and electrification of heating
Transport	• EV charging infrastructure
Industry	• Waste heat recovery • Electrification of industrial boilers
Waste	• Landfill gas capture and flaring/utilization • Waste-to-energy (with emission controls) • Composting and recycling systems • Wastewater methane recovery
AFOLU (carefully selected)	• Afforestation and reforestation on degraded land • Improved soil carbon management • Efficient irrigation and water-energy nexus projects

C. MRV database Tools & Templates

A database of methodologies developed under the CDM, JCM, Independent standards, etc., should be compiled and stored for easy reference by the DNA to decide which methodology to use and whether a new methodology is necessary. A list has been compiled and attached as an appendix to this report. It should be expanded further and updated in a timely manner.

D. Ready templates for Project Idea Note (PIN), Project Design Document (PDD) templates

Approval checklists and ready templates regarding the project idea note (PIN), the project design document (PDD), the authorization, etc., should be developed to accelerate the implementation process. The templates shared at the training workshop organized by UNDP on 4th March in Tashkent can be considered; they are attached as an appendix to this report.

I. 2. Implementation Phase

I. 2.1 Project Pipeline & Operational Processes

A few projects should be considered pilot projects to explore how the institutional arrangements are working and whether it is necessary to amend the decree and/or the resolution regarding ITMO retention and ITMO fees. Project pipelines in sectors aligned with Uzbekistan's NDC (e.g., energy efficiency, renewables, agriculture, land use) could be considered for piloting under the Joint Crediting Mechanism (JCM) with Japan or with Korea.

I. 2.2 Reporting, Transparency & Compliance Functions

A6 Implementation Reports, including the A6 Initial Report, should be developed and submitted to the UNFCCC. In this regard, this report includes draft A6IR as an appendix for further editing, finalization, and submission to the UNFCCC.

II. Strategy & guiding principles for engagement under A6 in Uzbekistan

What has been achieved is acknowledged and praised; it remains a step in the right direction. Several actions should be further considered and prioritized based on available time and resources. A summary of the readiness status of A6 implementation is shown in the table below.

Table 2: Summary table of readiness status regarding A6 implementation

	A6 Strategy	Legal Foundation	Institutional Arrangement	Infrastructure	Operationalization
Achieved	Uzbekistan 20230	The Decree of the President PD-110 (July 2025)	Institutional Arrangement	Option to use existing registries	17 projects in the pipeline
Remaining	-A6 Strategy aligned with NDC3.0 priorities -Long Term Low Emission Development Strategy (LT-LEDS).	Adopt the cabinet of ministers' resolutions, hence, to accomplish establishing authorization arrangement	Consider a Capacity Building Program.	-Develop a national registry -Develop positive and/or negative lists.	-Start piloting a few projects -Develop A6 Initial Report and submit to UNFCCC.

II. 1 Specific Recommended Actions

- Finalize and adopt the Resolution of the Cabinet of Ministers

Uzbekistan should prioritize finalizing and adopting the “Resolution of the Cabinet of Ministers on measures to fulfil international obligations to reduce greenhouse gas emissions and participate in the international carbon units market.” By doing so, Uzbekistan will fulfill one of its two main remaining participation requirements to engage in cooperative approaches under A6.2 of the Paris Agreement. Ultimately, it will provide the legal foundation for implementing Article 6 and JCM, legal certainty to build investor confidence, and, most importantly, ensure environmental integrity.

- Develop the national carbon registry

Uzbekistan should accelerate the development of its national registry or consider accessing existing systems, such as JCM registries, or other internationally recognized standards, such as the Gold Standard and Verra, as a temporary solution, as accepted by the UNFCCC, to track ITMOs.

- Prepare a robust project eligibility criterion

Preparing a positive list of prioritized project types eligible for A6, as well as, where appropriate, a negative list to exclude projects and activities that may pose environmental, social, or reputational risks is another urgent requirement for Uzbekistan. Doing this will significantly reduce uncertainty for project developers and investors, thereby accelerating the development of a credible pipeline of mitigation projects/activities.

- Establish a centralized monitoring, reporting, and verification (MRV) system

Institutional and infrastructure strengthening will be key to sustaining momentum and scaling up A6-related activities, particularly those under the JCM. Uzbekistan should establish a centralized monitoring, reporting, and verification (MRV) system to ensure transparency, consistency, and environmental integrity across all projects. It should also invest in a comprehensive digital platform that integrates key components of the carbon market ecosystem to enhance efficiency and accessibility. This platform should host

standardized methodologies, provide templates for project documentation, and enable real-time reporting and tracking of project performance. Such digitalization will not only streamline administrative processes but also improve transparency and investor confidence.

- Scaling up project pipeline and deepening integration into the global carbon market

Uzbekistan should also focus on scaling up its project pipeline and deepening its integration into the global carbon market. This will involve expanding mitigation activities across priority sectors, including renewable energy, energy efficiency, and agriculture and land use. Diversification of the project portfolio will enhance resilience and maximize mitigation potential.

- Submit A6 Initial Report to the UNFCCC

Uzbekistan should consider submitting the A6 Initial Report to UNFCCC as soon as it adopts the “Resolution of the Cabinet of Ministers on measures to fulfil international obligations to reduce greenhouse gas emissions and participate in the international carbon units’ market.” This will be a significant signal for the private sector and international actors about the status/progress.

II. 2 Strategic recommendations: Use the Joint Crediting Mechanism (JCM) as a strategic opportunity for piloting

While Uzbekistan takes the above specific recommendation to advance the development of a national A6 framework, particularly the bilateral cooperation under 6.2, it can utilize the JCM as a pilot mechanism to test the compliance with the requirements of A6.2, ii) to validate domestic approval procedures, iii) to build institutional capacity through practical implementation, and, more importantly, to generate early carbon finance flows.

The JCM provides an immediate operational platform for Uzbekistan to launch carbon market activities after it signed it with Japan in 2022. For instance, the JCM mechanism has been in place between Japan and more than 30 countries and has a track record of over 300 implemented projects. It has a functioning bilateral institutional framework led by the JCM joint committee (JC); an established registration system; and more than 100 approved MRV (Measurement, Reporting, and Verification) methodologies¹⁴, available templates, and operational procedures clearly stipulated in rules and guidelines for implementation adopted by the JC¹⁵.

Developing a national A6 framework	Operationalizing through JCM
Focus on: • Establishing consistency between strategy and policy • Clarification of legal and regulatory frameworks • Institutional capacity • Technical infrastructure	Focus on: • Implementation of pilot projects • Accumulation of practical experience • Validation of systems and procedures • Acceleration of readiness through implementation

Operationalizing the JCM as a pilot instrument to test and refine its A6 readiness would involve rapidly advancing two to three pilot projects in priority sectors, alongside efforts to streamline administrative processes, particularly the issuance of Letters of No Objection (LNOs) and letters authorizing the carbon units expected to be generated by these projects.

II. 3 Establish a dedicated Carbon Market Acceleration Unit (CMAU) with a focus on a shift in capacity building

To make implementation successful at every stage, it’s important to place strong emphasis on building

¹⁴ <https://www.jcm.go.jp/methodologies/all>

¹⁵ <https://www.jcm.go.jp/uz-jp>

capacity. The current technical capacity for the carbon market, and A6 in particular, remains limited and requires significant improvement. Such improvement could not be achieved by increasing the number of training courses or awareness-raising events, which so far seem scattered, fragmented, short-term, and mostly held in outdoor venues. A more structured, implementation-driven, hands-on approach requires embedding technical support within key institutions rather than providing it on an ad hoc basis.

In this regard, we recommended that Uzbekistan consider establishing a dedicated ‘Carbon Market Acceleration Unit (CMAU) within the Ministry of Economy and Finance, specifically within the Green Economy Centre that provides comprehensive day-to-day support for A6-related issues. This unit would not replace the activities of the “Technical Working Group” assigned to support the DNA in overarching decisions such as issuing letters of Authorization, etc., but would focus more on day-to-day hand-holding through embedding national and/or international experts to assist focal points and Secretariat on A6-related activities on a timely basis such as on reporting, tracking, developing robust pipeline A6 projects, MRV methodologies, and so on, hence ensuing capacity development, institutional strengthening, project implementation, and long term partnership with partners.

The CMAU could be considered as part of, or separate from, establishing a “panel” and/or appointing external experts that provide comprehensive day-to-day support to the JCM Joint Committee (JC) for A6 and JCM-related issues in line with Art. 9 of the Rule of Procedure (ROP)¹⁶ of the JCM adopted by JC at its 1st meeting held on 26 Feb. 2025¹⁷.

III. Summary/Conclusion

Although most of the fundamental elements required to facilitate Uzbekistan’s participation in the international carbon market are already in place, further efforts to finalize and implement policies are urgently needed. Several specific recommended actions were listed, particularly those aimed at fulfilling the participation requirement under A6.2 of the PA. Using the JCM as a pilot scheme whilst advancing the formulation of the A6 national framework was also recommended as a strategic, practical, and effective approach to ensure a smooth transition from the preparatory phase to the A6 mechanism’s actual operation.

A key observation that is worth emphasizing is that in Uzbekistan, while a limited number of senior government officials demonstrate a solid understanding of carbon market operation in general and Article 6 of the Paris Agreement in particular, broader institutional capacity across the Green Economy Center staff and perhaps even across line ministries and technical agencies remains limited. This creates a critical bottleneck to the effective implementation of the A6 mechanism, including the operationalization of the JCM.

¹⁶ https://www.jcm.go.jp/jc/wp-content/uploads/sites/3/JCM_UZ_RoP_JC_ver01.0.pdf

¹⁷ <https://www.jcm.go.jp/jc/information/20250226/>

To address this gap, a structured and sustained “hand-holding” capacity-building program is essential. Not just having rounds of online webinar and/or training workshop, but a comprehensive program that addresses all the phases and the elements of A6 implementation. For instance, several international and regional partners, including UNDP, GIZ, WB, and A6IP, are actively providing technical assistance. However, these efforts seem scattered and require improved coordination, strategic alignment, and a clearer division of responsibilities to maximize impact and avoid duplication.

A systematic needs assessment should be undertaken to identify institutional gaps and map existing and planned support (Who does What), enabling the leveraging of each partner’s comparative advantage in support. The gap analysis conducted for the current project could serve as a basis, but further in-depth updates and continuous monitoring are certainly necessary.

We recommend establishing a Carbon Market Acceleration (or Support) Unit (CMAU), potentially located within the Green Economy Center under the Ministry of Economy and Finance, which could serve as a national hub for technical coordination and capacity development to build institutional and technical capacity, coordinate international support, operationalize the A6 mechanism, and develop a pipeline of bankable projects therefore, enabling full operationalization of Article 6 and access to international climate finance.