RULE OF IMPLEMENTATION OF JOINT CREDITING MECHANISM BETWEEN GOVERNMENT OF THE REPUBLIC OF INDIA AND GOVERNMENT OF JAPAN

India and Japan have adopted the 'Rule of Implementation' of Joint Crediting Mechanism, under Article 6.2 of the Paris Agreement of United Nations Framework Convention on Climate Change (UNFCCC).

Last year, India and Japan signed a Memorandum of Cooperation (MoC) for the Joint Crediting Mechanism (JCM). The MoC established a framework for collaboration on mitigation activities that deliver greenhouse gas emission reductions or removals while supporting sustainable development outcomes in India and contributing to the achievement of the Nationally Determined Contributions (NDCs) of both countries.

The Rule of Implementation defines robust governance arrangements, including a Joint Committee with representatives from both Governments, transparent project approval procedures, third-party validation and verification, sustainable development safeguards and national registries to track the issuance and transfer of credits.

The Joint Crediting Mechanism demonstrates India's firm commitment to climate action. It will catalyse investment, technology transfer and capacity-building for projects involving low-carbon technologies in India to support climate change mitigation and sustainable development.

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2273527&reg=48&lang=1

EU PLANS EMISSIONS CHARGES FOR WASTE INCINERATORS

The European Commission plans to bring **waste incineration plants into the EU Emissions Trading System (EU ETS)**, requiring operators to pay for the carbon dioxide they emit. This would extend the EU's carbon market to the waste sector and incentivize emissions reductions, carbon capture, and better material recovery.

Under the ETS, companies must buy permits for every tonne of CO_2 emitted. While incinerators help reduce waste volumes and often generate heat or electricity, they also release significant emissions, especially from plastic-based waste.

The proposal supports EU's goals of:

- Reducing waste generation
- Increasing reuse and recycling
- Encouraging investment in carbon capture and low-emission technologies

A major concern is the financial impact on municipalities, many of which own or operate waste-to-energy facilities and must continue processing waste regardless of its composition.

The Commission is also expected to introduce **monitoring of landfill emissions** to avoid waste being diverted from incineration to landfills due to higher carbon costs.

The proposal increases the financial impact of waste generation across the value chain:

- Producers of difficult-to-recycle materials may face greater pressure from customers, municipalities, and regulators.
- Waste operators may need to invest in carbon capture, improve energy efficiency, and manage exposure to rising carbon allowance prices.
- Municipalities may need to review long-term waste management and financing strategies.

https://esgnews.com/eu-plans-carbon-costs-for-waste-incinerators/

EUROPEAN FINANCIAL REPORTING ADVISORY GROUP DRAFTS NEW ESG RULES FOR NON-EU GROUPS

European Financial Reporting Advisory Group has issued the ESRS-40a Exposure Draft, the final sustainability reporting standard under CSRD for large non-EU groups with significant EU operations.

The standard would apply to financial years beginning on or after January 01, 2028 and requires companies to report material impacts on people and environment, covering governance, strategy, impact management, policies, actions, metrics and targets.

The draft removes mandatory reporting on sustainability-related risks, opportunities, resilience and dependencies, focusing solely on impact materiality. While this may reduce duplication for companies already reporting under financial-materiality frameworks, investors may receive less information about sustainability-related effects on cash flows, financing costs and long-term value.

The original CSRD applied to non-EU companies with more than €150 million in EU revenue and a qualifying subsidiary or branch. Under the EU's Omnibus simplification process, a non-EU parent must now generate over €450 million in EU turnover for two consecutive years, while its EU subsidiary or branch must exceed €200 million in net turnover.

A key point of debate is the proposed "mixed approach" for non-climate impacts. Companies may report impacts globally or limit disclosures to EU-related products, services and activities, and may apply different geographic scopes to different topics.

For example, a company could report microplastics globally while limiting air pollution disclosures to EU-related impacts, provided those impacts can be meaningfully identified and faithfully represented.

https://esgnews.com/efrag-drafts-new-esg-rules-for-non-eu-groups/

CHINA SETS BINDING 2030 RENEWABLE POWER TARGET

China has unveiled a new renewable energy plan that aims to increase wind and solar power generation by 53% over the next five years, marking the first-time where renewable electricity has been established as a binding national target. The plan sets a goal of reaching 1.8 billion tonnes of coal equivalent in renewable energy generation by 2030, up from an estimated 1.18 billion tonnes in 2025.

Beyond expanding wind and solar capacity, the strategy focuses on improving reliability of renewable power, particularly during periods of peak electricity demand. China is also working to better integrate power generation, energy storage, transmission networks, and industrial electricity consumption. The success of these efforts will be crucial in ensuring that rapid growth in renewable energy strengthens the country's power system resilience while supporting its transition to a lower-carbon economy.

https://esgnews.com/china-sets-binding-2030-renewable-power-target/