Joint Crediting Mechanism Glossary of Terms

Category	No.	Term	Definition in JCM
Emission reductions or removals	1.	Greenhouse Gases (GHG)	GHG are those gases of carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) (RoI para.2).
	2.	JCM project	GHG emission reductions or removals project activities under the JCM (RoI para.3).
	3.	Crediting period	The period in which verified emission reductions or removals attributable to a JCM project can result in the issuance of JCM credits from that JCM project. The crediting period is either a fixed period of 10 years or a renewable period of five (5) years which may be renewed twice at the maximum, which does not surpass the period of the JCM (RoI para.4). The crediting period for carbon capture and storage /carbon capture, utilization and storage projects refers to a period from which the project participants of a JCM project start injection of CO_2 into a reservoir and to which the project participants terminate the injection of CO_2 collected through the JCM project.
	~~3.~~4.	Eligibility criteria	Eligibility criteria are requirements for the JCM project defined in the JCM methodology and contain the followings: (a) Requirements for the project in order to be registered as a JCM project; (b) Requirements for the project to be able to apply the JCM methodology.
	~~4.~~	~~Net decrease and/or avoidance of GHG emissions~~	~~In the JCM, emission reductions to be credited are defined as the difference between reference emissions and project emissions. The reference emissions are calculated below business as usual (BaU) emissions to ensure a net decrease and/or avoidance of GHG emissions.~~
	5.	Reference emissions	The reference emissions are established in a manner that a proposed project contributes to the achievement of the latest nationally determined contributions of the host country under the Paris Agreement.~~Reference emissions are calculated below business as usual (BaU) emissions. Reference emissions are calculated by multiplying a crediting threshold which is typically expressed as GHG emissions per unit of output by total outputs.~~
	6.	Business-as-usual (BaU) emissions	Business-as-usual (BaU) emissions represent plausible emissions in providing the same outputs or service level of the proposed JCM project in the host country.
	7.	Crediting threshold	Crediting threshold is typically expressed as GHG emissions per unit of output. A crediting threshold is established *ex ante* in the methodology applicable for the same project type in the host country. It should also be established conservatively in order to calculate

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			reference emissions below BaU emissions.
	8.	Emissions sources and GHG types	Those emissions sources and GHG types whose emissions are significant and reasonably attributable to the JCM project.
	9.	Sinks and GHG types	Those sinks and GHG types whose removals or emissions are significant and reasonably attributable to the JCM project.
	10.	Sectoral scope	The category of GHG source sectors or groups of activities that apply to JCM projects. It is based on the sectoral scope for the CDM. A JCM project may fall within more than one sectoral scope.
	11.	Level of assurance	Level of assurance is defined as degree of assurance the Joint Committee requires in a verification. The level of assurance is used to determine the depth of detail that a verifier designs into their verification plan to determine if there are any material errors, omissions or misrepresentations.
	12.	Materiality	Materiality is a concept that individual or the aggregation of errors, omissions and misrepresentations could affect the greenhouse gas assertion and could influence the intended users' decisions.
Governance	13.	Each side	Each side establishes its respective secretariat and both secretariats jointly serve as the JCM secretariat through mutual communication for the Joint Committee. Based on the rules and guidelines as developed by the Joint Committee and/or in accordance with relevant domestic laws and regulations in respective countries to~~for~~ the implementation of the JCM, each side, represented by the JCM secretariat, may: (a) Jointly: (i) Prepare draft methodologies draft rules and guidelines and submit them to the Joint Committee for its consideration, when necessary; (ii) Receive new initiatives from candidate project participants; (iii) Monitor the development of JCM related programs and implementation of JCM projects, taking into account sustainable development criteria and environmental integrity. (b) Separately, unless otherwise decided: (i) Develop environmental and sustainable development criteria for JCM implementation as well as identifying needs for capacity building, and submit them to the Joint Committee; (ii) Monitor the development of JCM Feasibility Studies activities; (iii) Facilitate the project participants to perform project-based capacity building; (iv) Establish and maintain a registry in line with the common specifications for registries, as developed by the Joint Committee;

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			(v) On the basis of notification for issuance of credits by the Joint Committee including for allocation of credits among project participants, issue the notified amount of credits to its registry. Each side promptly informs the Joint Committee on the issuance of credits under the JCM (RoI para.~~13~~14-~~15~~16).
	14.	Joint Committee	The Joint Committee of representatives from the Japanese side and the Indonesian side. The Joint Committee may develop or modify the rules and guidelines necessary for the implementation of the JCM, approve proposed methodologies, designate third party entities, register JCM projects, and notify both sides to issue credits for a JCM project.
	15.	JCM secretariat	Each side establishes its respective secretariat and both secretariats jointly serve as the JCM secretariat through mutual communication for the Joint Committee. (RoI para.~~13~~14).
	16.	Third-party entity	A third-party entity is an entity designated by the Joint Committee, based on the criteria and procedures established by the "Joint Crediting Mechanism Guidelines for Designation of a Third-Party Entity", as qualified to validate proposed JCM projects as well as verify GHG emission reductions or removals.
	17.	Project participant	A project participant is a government, private entity and/or public entity involved to participate in a JCM project which may develop and implement a JCM project, monitor and report GHG emission reductions or removals, and requests the Joint Committee to notify each side to issue the credits.
Documents/ infrastructure	18.	Project Idea Note (PIN)	A Project Idea Note is a document which describes an overview of a planned project of project participants.
Documents/ infrastructure	~~18.~~1	Methodology	A methodology applied to JCM projects for calculating emission reductions achieved by each project and monitoring the JCM project. A proposed methodology is a methodology that has been submitted to the Joint Committee for approval. A proposed methodology consists of proposed methodology form and Proposed Methodology Spreadsheet. An approved methodology is a methodology that has been approved by the Joint Committee for application to JCM projects. An approved methodology consists of an approved methodology document and a Monitoring Spreadsheet. Approved methodologies are publicly available on the JCM website.
	~~19.~~2	Draft methodology	A draft methodology is a methodology that is developed by a methodology proponent and has not been submitted to the Joint Committee for approval through the JCM secretariat.
	~~20.~~2	Proposed methodology	A proposed methodology is a methodology that has been submitted to the Joint Committee for approval. A

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			proposed methodology consists of completed proposed methodology form and Proposed Methodology Spreadsheet.
	~~21.~~2	Proposed Methodology Spreadsheet	A Proposed Methodology Spreadsheet is a part of a proposed methodology developed by methodology proponents. A Proposed Methodology Spreadsheet defines a monitoring plan and enables calculation of GHG emission reductions automatically through inputting values. The Proposed Methodology Spreadsheet consists of an input sheet and calculation process sheet.
	~~22.~~2	Monitoring Spreadsheet	A Monitoring Spreadsheet is a part of an approved methodology. The Monitoring Spreadsheet consists of a Monitoring Plan Sheet (input sheet and calculation process sheet), Monitoring Structure Sheet, and Monitoring Report Sheet (input sheet and calculation process sheet). The Monitoring Plan Sheet and Monitoring Structure Sheet are used for developing a monitoring plan and calculating emission reductions *ex ante*. The Monitoring Report Sheet is used for preparing a monitoring report and calculating emission reductions *ex post*. The Monitoring Plan Sheet and Monitoring Report Sheet are prepared based on the Proposed Methodology Spreadsheet and the Monitoring Structure Sheet is added by the JCM secretariat after the approval of the proposed methodology by the Joint Committee.
	~~23.~~2	Project design document (PDD)	The document prepared by the project participant of a JCM project which sets out in detail the JCM project ~~which is to be realized~~. A Project design document (PDD) consists of a completed PDD form and monitoring plan using a Monitoring Plan Sheet and Monitoring Structure Sheet of the Monitoring Spreadsheet. The form of PDD, Monitoring Spreadsheet, and guidelines on preparing the PDD, are publicly available through the JCM website.
	~~24.~~2	Local stakeholder consultation	A local stakeholder consultation is conducted to the public, including individuals, groups or communities affected, or likely to be affected, by the proposed JCM project or actions leading to the implementation of such project, and local governments.
	~~25.~~2	Monitoring plan	A monitoring plan sets out the methodology to be used by project participants for the monitoring of, and by third-party entities for verification of the amount of GHGs emission reductions achieved by the JCM project. A monitoring plan is developed using Monitoring Plan Sheet and Monitoring Structure Sheet of Monitoring Spreadsheet.
	~~26.~~2	Monitoring report	A monitoring report is prepared by a project participant and sets out the GHG emission reductions of an implemented registered JCM project for a particular monitoring period. A monitoring plan is prepared using

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			a Monitoring Report Sheet of a Monitoring Spreadsheet.
	27.2	Registry	Each side establishes and maintains a registry in line with the common specifications for registries, as developed by the Joint Committee (RoI para.1415(b)(iv)).
	28.2	JCM Credit	Credits under the JCM are issued based on quantified amount of GHG emission reductions or removals achieved by the contribution of project participants in the implementation of GHG emission reductions or removals project activities under the JCM (RoI para.3). The credits are measured in metric tonnes of carbon dioxide equivalent (tCO_2eq) in line with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change (RoI para.42).
Project cycle	29.3	Modalities of communication statement (MoC)	A modalities of communication statement (MoC) from (or signed by) all project participants participating in a JCM project, defined in a prescribed form, that designates one or more focal point entities to communicate on their behalf with the JCM secretariat and the Joint Committee in line with established scopes.
	30.3	Validation	Validation is the process of independent evaluation of a proposed JCM project, on the basis of the PDD, by a third-party entity against the validation guidelines as developed by the Joint Committee (RoI para.2426).
	31.3	Registration	Registration is the formal acceptance by the Joint Committee of a validated project as a JCM project (RoI para.2731).
	32.3	Monitoring	Project participants implement a JCM project and monitor GHG emission reductions or removals by the JCM project based on the PDD (RoI para.3036).
	33.3	Verification	Verification is the periodic independent review and *ex post* determination by a third-party entity of the monitored GHG emissions reductions or removals for a specific monitoring period as a result of a registered JCM project conducted by a third-party entityduring the verification period (RoI para.3137).
	34.3	Issuance of credits	The action taken by each side to issue the credits to its respective account in the registry in line with the notification of the Joint Committee.

Glossary specified for CCS/CCUS

Category	No.	Term	Definition in JCM
	1.	Carbon Capture and Storage/Carbon Capture, Utilization and	GHG emission reduction or removal activities that capture CO_2 and either inject into approved geological storage site with the intention of permanent sequestration on geological timescales, or usage of captured CO_2 for industrial activities including

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		Storage	Enhanced Oil Recovery (EOR)/Enhanced Gas Recovery (EGR).
	2.	Functional equivalence	Functional equivalence refers to situations where project and reference provide the same function while delivering comparable products in quality and quantity.
	3.	Recycle CO_2	CO_2 collected and or reprocessed so it can be used again.
	4.	Injection	Action of injecting captured CO_2 to designated reservoir which specified in the project.
	5.	Project termination	State in which the specific JCM project is determined to have completed.
	6.	Project termination Preparatory period	Period during procedures required for project termination is conducted.
	7.	Post project termination	Period until a specified year after the specific JCM project is terminated.
	8.	CO_2 storage complex	Facility and geological complex related to injection of CO_2 to reservoir.
	9.	CO_2 plume	Region within geologic strata where CO_2 is present in the free phase.
	10.	Formation fluid	Fluid (such as gas, oil, or water) that exists in a subsurface formation.
	11.	Reversal	Intended / unintended release of CO_2 from CO_2 storage complex after injected CO_2 have credited.
	12.	Reserve credit	One of the safeguard mechanisms to ensure environmental integrity of CCS and CCUS. Subtract part of issued credit (in default, 3%) to reserve account and cancel corresponding amount in case of reversal.
	13.	Reserve account	Accounts created by project participants for the purpose of holding reserve credit.
	14.	Discount factor	One of the safeguard mechanisms to ensure environmental integrity of CCS and CCUS. Multiply emission reduction by a factor less than 1 to prevent excessive generation of credit.