

### Joint Crediting Mechanism Glossary of Terms

Category	Term	Definition in JCM
Emission reductions or removals	Greenhouse Gases (GHG)	GHG are those gases of carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF <sub>6</sub> ) and nitrogen trifluoride (NF <sub>3</sub> ).
	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. 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 <sub>2</sub> into a reservoir and to which the project participants terminate the injection of CO <sub>2</sub> collected through the JCM project. The crediting period for REDD-plus and afforestation/reforestation is a renewable period of a maximum of fifteen (15) years which may be renewed twice at the maximum. Where possible, the total crediting period for REDD-plus and afforestation/reforestation including renewal of the period should be more than 20 years.
	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.
	Reference emissions	The reference emissions are established below business-as-usual (BaU) emissions, 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.
	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.
	Emissions sources	Those emissions sources whose emissions are significant and reasonably attributable to the JCM project.
	Sinks	Those sinks whose removals or emissions are significant and reasonably attributable to the JCM project.
	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.
Governance	Joint Committee	The Joint Committee of representatives from the Japanese government and the <i>Partner Country</i> government. The Joint Committee may develop or modify the rules and

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		guidelines necessary for the implementation of the JCM, approve proposed methodologies, designate third party entities, register JCM projects, and notify both governments to issue credits for a JCM project.
	JCM secretariat	Each government establishes its respective secretariat and both secretariats jointly serve as the JCM secretariat through mutual communication for the Joint Committee.
	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.
	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 government to issue the credits.
Documents	Project Idea Note (PIN)	A Project Idea Note is a document which describes an overview of a planned project of project participants.
	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.
	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.
	Proposed methodology	A proposed methodology is a methodology that has been submitted to the Joint Committee for approval. A proposed methodology consists of completed proposed methodology form and Proposed Methodology Spreadsheet.
	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.
	Monitoring Spreadsheet	A Monitoring Spreadsheet is a part of an approved methodology. The Monitoring Spreadsheet consists of a Monitoring Plan

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		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 <i>ex ante</i> . The Monitoring Report Sheet is used for preparing a monitoring report and calculating emission reductions <i>ex post</i> . 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.
	Project design document (PDD)	The document prepared by the project participant of a JCM project which sets out in detail the JCM project. 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.
	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.
	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.
	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 report is prepared using a Monitoring Report Sheet of a Monitoring Spreadsheet.
	JCM Credit	Credits under the JCM are issued based on quantified amount of GHG emission reductions or removals achieved by project participants in the implementation of GHG emission reductions or removals project activities under the JCM. The credits are measured in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> eq) in line with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change.
Project cycle	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.

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	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.
	Registration	Registration is the formal acceptance by the Joint Committee of a validated project as a JCM project.
	Monitoring	Monitoring is collecting and archiving all relevant data necessary for estimating GHG emission that are significant and reasonably attributable to a registered JCM project by project participants.
	Verification	Verification is the periodic independent review and <i>ex post</i> determination of monitored GHG emissions reductions or removals for a specific monitoring period of a registered JCM project conducted by a third-party entity.
	Issuance of credits	The action taken by each government to issue the credits to its respective account in the registry in line with the notification of the Joint Committee.

### Glossary specific for REDD-plus and afforestation/reforestation

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Emission reductions or removals	1.	REDD-plus	REDD-plus (Reducing Emissions from Deforestation and Forest Degradation, and the Role of Conservation, Sustainable Management of Forests and Enhancement of Forest Carbon Stocks in Developing Countries) is one of the sectoral scopes of JCM project.
	2.	Afforestation/reforestation	Afforestation/reforestation is one of the sectoral scopes of JCM project.
	3.	Project period	The project period consists of the total crediting period and the observation period.
	4.	Observation period	<p>The period in which project participants observe whether verified emission reductions or removals are ensured and whether loss events happen, as one of means to ensure the permanence of issued JCM credits. The observation period begins at the end of the crediting period.</p> <p>Project participants apply the project period in the way that observation period is at least 10 years, or that project period is at least 30 years, whichever is longer. During the observation period, project participants implement “observation activities”. In case a loss event (such as large-scale unplanned harvesting or forest fire) occurs, project participants report the event and risk of non-permanence.</p> <p>Buffer credits are cancelled to compensate the loss in line with relevant procedures to be determined by Japanese government or the Joint Committee.</p>
	5.	Project area	Project area is the area targeted for reducing emissions and/or enhancing removals.
	6.	Reference area	Reference area is the area used to establish the project reference level.
	7.	Displacement belt	Displacement belt is the area outside the project area where emissions displaced by project activities are monitored. Displacement belt is identified, when necessary.
	8.	Activity area	Activity area is the area where project activities are implemented to reduce emissions and/or increase removals in the project area and to reduce the risk of the displacement of emissions to other areas. Activity area is identified, when necessary.
	9.	Project emission reductions or removals to be credited	Project emission reductions or removals to be credited are defined as the sum of the annual emission reductions or removals resulting from project activities during a monitoring period. Annual emission reductions or removals are a conservative estimate of the difference between the project reference level and project net emissions or removals in each year. For an afforestation/reforestation project with harvesting, project emission reductions or removals to

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			be credited does not exceed the cumulative net emission reductions or removals during the entire crediting period. To ensure that, upper limit of the amount of credit issuance is applied based on future harvesting plans.
	10.	Project reference level	Project reference level is an estimate of the anticipated annual net emissions/removals in the project area during the monitoring period without the project being implemented.
	11.	Project net emissions or removals	Project net emissions or removals are reasonably attributable to the JCM project activities. Project net emissions or removals is the sum of actual net emissions or removals in the project area, emissions from the project activities and emissions displaced to outside of the project area by the project activities during the monitoring period.
	12.	Displaced emissions	Displaced emissions are emissions displaced from inside to outside the project area as a result of the project activities.
	13.	Carbon stocks	Carbon stocks to be considered include each of the following five carbon pools: above ground biomass, below-ground biomass, dead wood, litter and soil organic carbon.
	14.	GHG sources	GHG sources to be considered are sources such as biomass burning, enteric fermentations of livestock, rice cultivation, and nitrogen fertilization for CH <sub>4</sub> and N <sub>2</sub> O and fuel consumed by project activities for CO <sub>2</sub> .
	15.	Reference period	Reference period is the temporal domain from which information on historical trend of such as deforestation is extracted, analyzed and projected into the future.
	16.	Remote sensing	Remote sensing is a method of measuring land cover and/or land use change by a recording device that is not in physical contact with the land, such as satellite.
	17.	Ground-based survey	Ground-based survey is on-the-ground measurement to obtain data used for estimating emission factors or other parameters, such as carbon stocks per area.
	18.	Observation activities	Observation activities are implemented to observe the status of the project area during the observation period by using satellite images, remote sensing and/or others specified in a proposed methodology.
Documents/ infrastructure	19.	Safeguard activity for REDD-plus and afforestation/reforestation	Safeguard activity for REDD-plus and afforestation/reforestation is activity implemented during the project, to avoid and/or reduce political, environmental, and socio-economic negative impact. In UNFCCC, safeguards which should be promoted and supported are shown in para 2, Appendix I of 1/CP.16. The result of safeguard activity may not directly affect the amount of emission reductions by the project.

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	20.	Safeguard activity implementation plan (SGIP)	A SGIP is prepared by a project participant of a REDD-plus and afforestation/reforestation project under the JCM and set out in detail the safeguard activity to be implemented in the project. A SGIP is prepared by filling in the SGIP form. The form is available through the JCM website.
	21.	Safeguard activity progress report (SGPR)	A SGPR is prepared by a project participant of a REDD-plus and afforestation/reforestation project under the JCM and set out the progress of the safeguard activity implemented in line with the SGIP in a particular period. A SGPR is prepared by filling in the SGPR form. The form is available through the JCM website.
	22.	Loss event	Loss event is any event that that is likely to qualify as a reversal due to losses in carbon stocks in pools included in the project.
	23.	Reversal	A reversal is a situation that occurs if project emission reductions or removals to be credited (as referred to No.9) in any monitoring period is negative. The amount of the reversal is the difference between the current total to-date project emission reductions or removals to be credited compared to the total (to-date) project emission reductions or removals to be credited at the previous verification.
	24.	Buffer credit	Buffer credit is a certain portion of the JCM credits which are deposited in the buffer account in order to ensure the permanence of the JCM credit issued from the project.
	25.	Buffer account	Buffer account is established in order to manage the buffer credits, minimize the risk of non-permanence of mitigation and address the reversal in full when it is occurred. One buffer account is established in each JCM registry of Japan and the <i>Partner Country</i> .