

**Joint Crediting Mechanism Guidelines for Designation as a Third-Party Entity**

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## **1. Objectives**

1. The objectives of the “Joint Crediting Mechanism Guidelines for designation as a Third-Party Entity” (hereinafter referred to as “these Guidelines”) are as follows;
  - (a) To establish the criteria and procedures for designation of third-party entities (hereinafter referred to as the “TPEs”), to perform validation and verification activities under the Joint Crediting Mechanism (hereinafter referred to as “JCM”);
  - (b) To establish the criteria and procedures for suspension and withdrawal of designation of a TPE.

## **2. Scope and applicability**

2. These Guidelines are applicable to candidate entities, TPEs, the Joint Committee and the secretariat with respect to designation, suspension and withdrawal of TPEs.
3. These Guidelines describe standards which are requirements to be met, except guidance indicated with terms “should” and “may” as defined in paragraph 7 below.

## **3. Normative references**

4. The following referenced documents are indispensable for the application of these Guidelines:
  - (a) ISO 14065:2007 Greenhouse gases — Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition;
  - (b) Clean Development Mechanism Accreditation Standard for Operational Entities.

## **4. Terms and definitions**

5. TPEs are entities designated by the Joint Committee as qualified to validate proposed JCM projects as well as verify GHG emission reductions or removals.
6. Candidate entities are entities which have applied to be designated by the Joint Committee as TPEs.
7. The following terms apply in these Guidelines:
  - (a) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
  - (b) “May” is used to indicate what is permitted.
8. Terms in these Guidelines are defined in JCM Glossary of Terms available on the JCM website.

## **5. Requirements for designation as a TPE**

9. To be designated as TPEs, candidate entities fulfill all requirements as listed paragraphs 10

to 13.

### **5.1. General**

10. To be eligible to become a TPE under the JCM, the candidate entity is either:
  - (a) An entity accredited under ISO 14065 by an accreditation body that is a member of the International Accreditation Forum (hereinafter referred to as “IAF”) based on ISO 14064-2; or
  - (b) A Designated Operational Entity (hereinafter referred to as “DOE”) of the Clean Development Mechanism (hereinafter referred to as “CDM”) .
11. Candidate entities are designated to perform JCM validation or verification activities for which they are accredited or designated in line with paragraph 10, for the sectoral scopes determined by the Joint Committee in line with paragraph 12. The sectoral scopes for the JCM are identical to those of the CDM, and are listed in Annex 1.
12. The sectoral scopes eligible for the candidate entities are determined as follows:
  - (a) Candidate entities which are accredited under ISO 14065 are eligible for the sectoral scopes as determined by the Joint Committee taking into consideration their sectoral competence as described in their application.
  - (b) Candidate entities which are DOEs are eligible for the sectoral scopes for which they are designated as DOEs.

### **5.2. Competence**

13. A TPE has sufficient knowledge of the JCM between Mongolia and Japan by reading and knowing all applicable rules and guidelines of the JCM.

## **6. Procedure for designation as a TPE**

14. Candidate entities submit an application form to the Joint Committee. The application form is as shown in Annex 2.
  - (a) The candidate entity clearly indicates all sectoral scopes it wishes to be designated in the application form.
  - (b) When a TPE wishes to be designated under the JCM for additional sectoral scopes in line with paragraph 12, the TPE submits an application form and seek its designation for those sectoral scopes.
15. The secretariat checks whether the application form is complete, and communicates the result to the candidate entity within seven (7) days after the receipt of the submission.
16. When the application has been completed, the Joint Committee determines whether to designate the candidate entity as a TPE or reject the application.
17. The secretariat notifies the result of the above decision to the candidate entity and makes

the relevant information of the designated TPE and the sectoral scopes publicly available through the JCM website.

## **7. Suspension or withdrawal the designation as a TPE**

### **7.1. Conditions for suspension or withdrawal of designation as TPE**

18. The Joint Committee may suspend or withdraw the designation of a TPE under the following conditions:
  - (a) When the performance of the TPE under the JCM is found to be not appropriate by the review conducted by the Joint Committee.
  - (b) When the TPE has ceased to meet the conditions described in paragraph 10.
19. When the Joint Committee suspends the designation of a TPE, the Joint Committee decides on whether to totally or partially suspend the TPE.

### **7.2. Procedures for suspension or withdrawal**

#### **7.2.1. Procedures for suspension or withdrawal following a review**

20. The Joint Committee may conduct a review on whether a TPE continues to comply with the applicable JCM rules and guidelines. Such review may include on-site visits to evaluate the performance of a TPE. The Joint Committee may ask external experts or organizations to conduct such activities.
21. If the Joint Committee has carried out a review and found that the TPE no longer complies with the applicable JCM rules and guidelines, the Joint Committee may suspend or withdraw the designation of the TPE, but only after the TPE has had the possibility of a hearing. The suspension and withdrawal takes immediate effect after the decision by the Joint Committee.

#### **7.2.2. Procedures for suspension or withdrawal due to ceasing to meet the conditions described in paragraph 10**

22. For a TPE accredited only under ISO 14065, when its accreditation under ISO 14065 is suspended or withdrawn, the designation of the TPE for the JCM is suspended or withdrawn with immediate effect.
23. For a TPE designated only under the CDM, when the designation is suspended or withdrawn, the designation of the TPE for the JCM is suspended or withdrawn with immediate effect.
24. For a TPE accredited or designated both under ISO14065 and the CDM:
  - (a) When the accreditation or designation for either programme is suspended or withdrawn, the designation of the TPE for the JCM is suspended or withdrawn with immediate effect unless otherwise the cases described in subparagraphs (b) and (c)

below;

- (b) When the TPE voluntarily withdraws the accreditation or designation for either programme without having been suspended, the TPE maintains its designation under the JCM; or
  - (c) When the accreditation or designation for either programme is voluntarily withdrawn following its suspension, the designation of the TPE under the JCM is suspended until the Joint Committee decides on withdrawal or continued designation of such TPE.
25. In case when the status of the TPE falls under the conditions described in paragraphs 22 to 24, the TPE notifies the Joint Committee of such suspension or withdrawal without delay.

### **7.2.3. Procedures following suspension or withdrawal**

- 26. When the Joint Committee decides to suspend or withdraw the designation of a TPE, the Joint Committee makes the name of the suspended or withdrawn TPE and the reasons for its suspension or withdrawal publicly available through the JCM website without delay.
- 27. When a TPE is suspended or withdrawn, the TPE notifies all affected organizations including project participants which the TPE is under contract to perform JCM validation and/or verification activities at the time of suspension or withdrawal.
- 28. When a TPE is suspended, the TPE may continue its ongoing JCM validation and/or verification activities for which the contract was in force at the time of its suspension.
- 29. When a TPE has been withdrawn, the TPE does not continue any JCM validation and/or verification activities.
- 30. Projects which had been already validated or verified by the TPE at the time of its suspension or withdrawal are not affected by the suspension or withdrawal of the TPE. However, the Joint Committee may conduct any actions to these projects.

### **7.3. Voluntary withdrawal of a TPE**

- 31. A TPE may withdraw its application for designation or its designation status by submitting a request to the Joint Committee.
- 32. The TPE informs, if applicable, any affected organizations of the withdrawal of its application for designation or its designation status.
- 33. Voluntary withdrawal of designation by a TPE does not free the TPE from its contractual arrangement with its clients or with the secretariat, including costs related to assessment conducted before withdrawal of designation of the TPE.
- 34. When a TPE has withdrawn, the TPE does not continue any JCM validation and/or verification activities.

**7.4. Procedures for reinstatement for suspended or withdrawn TPE**

35. The procedure for reinstatement for suspended TPE is as follows.
  - (a) When a TPE suspended following the review of the Joint Committee wishes to be reinstated under the JCM, the TPE submits an application form and documents which explain corrective action for the causes of its suspension. The Joint Committee decides whether to reinstate the TPE based on the submitted documents.
  - (b) When a TPE suspended since it ceased to meet the conditions described in paragraph 10 has once again met the conditions, the TPE wishing to be reinstated under the JCM submits an application form. The Joint Committee decides whether to reinstate the TPE.
  - (c) When a suspension of a TPE is removed, the secretariat makes the name of the reinstated TPE publicly available through the JCM website without delay.
36. A TPE which has been withdrawn may re-apply in line with the procedure described in paragraphs 14 to 16.

## **Annex 1: Sectoral Scopes for the JCM**

1. Energy industries (renewable - / non-renewable sources)
2. Energy distribution
3. Energy demand
4. Manufacturing industries
5. Chemical industry
6. Construction
7. Transport
8. Mining/Mineral production
9. Metal production
10. Fugitive emissions from fuels (solid, oil and gas)
11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
12. Solvents use
13. Waste handling and disposal
14. Afforestation and reforestation
15. Agriculture

**Annex 2: Application form for designation as a TPE**

Name of entity		
Central office		
	Physical address	
	Postal address (if different from above)	
	Contact details	Telephone: Mobile: Email:
Office in Japan, if applicable		
	Physical address	
	Postal address (if different from above)	
	Contact details	Telephone: Mobile: Email:
Office in the host country, if applicable		
	Physical address	
	Postal address (if different from above)	
	Contact details	Telephone: Mobile: Email:
Application condition	Check as appropriate <input type="checkbox"/> Accredited under ISO 14065 by an accreditation body that is a member of the International Accreditation Forum based on ISO 14064-2. Sectoral scope(s) for validation Sectoral scope(s) for verification  <input type="checkbox"/> Designated Operational Entity (DOE) of the Clean Development Mechanism (CDM). Sectoral scope(s) for validation Sectoral scope(s) for verification	
Sectoral scope (s) applied for	Validation (Explanation for selecting the scope(s))	
	Verification (Explanation for selecting the scope(s))	
Type of application	Check as appropriate <input type="checkbox"/> Initial designation <input type="checkbox"/> Extension of sectoral scopes <input type="checkbox"/> Re-designation	



<input type="checkbox"/> Voluntary withdrawal	
<p>I declare that the information given in this application is correct to the best of my knowledge and belief. I conduct to inform the JCM secretariat immediately of any changes with respect to the application and accept full responsibility for any costs incurred as a result of any changes not reported to the JCM secretariat in accordance with the procedures for accreditation.</p> <p>On behalf of the entity, I declare that the all applicable JCM rules and guidelines are understood.</p>	
Name	
Position (state position if other than CEO)	
Date	
Signature	