

## Bilateral Offset Credit Mechanism Project Cycle Procedure

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## **1. GENERAL PROCEDURES**

### **1.1. Objectives**

1. The objectives of the “Bilateral Offset Credit Mechanism Project Cycle Procedure” (hereinafter referred to as “this Procedure”) are to:
  - (a) Improve the consistency and clarity in processing of the submissions of documents relating to the approval of a methodology, the registration of a proposed Bilateral Offset Credit Mechanism (hereinafter referred to as “BOCM”) project, and issuance of credits by the Joint Committee, its secretariat (hereinafter referred to as the “secretariat”), the Japanese side and the Bangladeshi side (hereinafter referred to as “both sides”);
  - (b) Enhance the overall efficiency and integrity of the BOCM.

### **1.2. Scope and applicability**

2. This Procedure describes the administrative steps to follow for project participants, third-party entities (hereinafter referred to as the “TPEs”), other stakeholders, the Joint Committee, the secretariat, and both sides for approval of a methodology, registration of a BOCM project, and issuance of credits and related actions.

### **1.3. Terms and definitions**

3. This Procedure describes standards which are requirements to be met except those paragraphs which include terms “should” and “may” as defined in paragraph 4 below.
4. The following terms apply in this Procedure:
  - (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.
5. Terms in this Procedure are defined in “BOCM Glossary of Terms” available on the BOCM website.

### **1.4. Approval of methodologies**

#### **1.4.1. Submission of a proposed methodology**

6. The Japanese side, the Bangladeshi side or project participants (hereinafter referred to as “methodology proponents”) may prepare a proposed methodology and submits it to the Joint Committee for its approval by electronic means.
7. The proposed methodology consists of the proposed methodology form and Proposed Methodology Spreadsheet, containing the Input Sheet and Calculation Process Sheet, which are developed in line with the “Bilateral Offset Credit Mechanism Guidelines for Developing Proposed Methodology” (hereinafter referred to as “Methodology

Guidelines”). The submission may be accompanied by additional documents which help explain the methodology. The Joint Committee may request the methodology proponents to submit additional documents including a draft project design document (hereinafter referred to as “PDD”) to which the proposed methodology is applied.

8. The secretariat notifies the receipt of the submission to the methodology proponents by electronic means.
9. Methodologies may also be developed under the initiative of the Joint Committee.

#### **1.4.2. Completeness check**

10. The secretariat checks whether the proposed methodology is complete and communicates the result to the methodology proponents within seven (7) calendar days after the receipt of the submission.
11. If the submission is deemed incomplete, the secretariat notifies the methodology proponents of the reason.
12. This process is not required for proposed methodologies developed under the initiative of the Joint Committee.

#### **1.4.3. Public inputs**

13. After the secretariat deems that the submitted proposed methodology satisfies the completeness check, the secretariat promptly makes the methodology publicly available for public inputs through the BOCM website.
14. The duration of call for public inputs is fifteen (15) calendar days.
15. The secretariat makes all received inputs publicly available through the BOCM website.
16. For methodologies developed under the initiative of the Joint Committee, they are also subjected to this process.

#### **1.4.4. Consideration of a proposed methodology**

17. The Joint Committee assesses the proposed methodology based on, but not limited to, the materials submitted by the methodology proponents and the submitted public inputs in line with Methodology Guidelines.
18. The Joint Committee may interact with the methodology proponents on specific issues regarding the proposed methodology.
19. The Joint Committee may delegate part of the work of assessment to external experts and/or a panel independent from methodology proponents, as appropriate.
20. The outcome of the consideration is as follows:
  - (a) Approval of the proposed methodology;
  - (b) Approval of the proposed methodology with revisions;

- (c) Non-approval of the proposed methodology.
21. The Joint Committee should conclude the consideration within sixty (60) calendar days from the closing of public inputs. If this is deemed not possible due to matters such as ongoing clarifications, then the secretariat notifies the methodology proponents of the status of discussion within sixty (60) calendar days from the closing of public inputs, and the Joint Committee should conclude the consideration no later than ninety (90) calendar days from the closing of public inputs.
  22. Upon conclusion of consideration, the secretariat notifies the outcome of consideration to the methodology proponents, with its reasons.
  23. The secretariat makes publicly available the outcome of the consideration, as well as relevant information on the approved methodology, which consists of approved methodology document and Monitoring Spreadsheet, through the BOCM website within five (5) calendar days from the date of decision by the Joint Committee. Monitoring Spreadsheet consists of Monitoring Plan Sheet, Monitoring Structure Sheet, and Monitoring Report Sheet<sup>1</sup>.
  24. The methodology proponents may resubmit any proposed methodology that has been assessed as incomplete by the secretariat or has not been approved by the Joint Committee. Such submission addresses the reasons for incompleteness stated by the secretariat and non-approval stated by the Joint Committee.

### **1.5. Implementation of project**

25. Project participants operate a project in line with the BOCM rules and guidelines.
26. After the registration of the project, the project participants operate the project and conduct monitoring of its activity in line with the registered PDD. The project participants may submit the request for registration after the start date of operation.
27. Credits are only issued to emission reductions or removals that are calculated by the project participants and verified by the TPE based on the results of monitoring in line with the registered PDD, after the start date of operation.
28. A project which started operation on or after 1 January 2013 is eligible for consideration as the BOCM project.

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<sup>1</sup> Monitoring Plan Sheet and Monitoring Report Sheet are prepared by the secretariat based on a Proposed Methodology Spreadsheet made by the methodology proponent after its approval. Monitoring Structure Sheet is added by the secretariat.

## **1.6. Pre-registration activities**

### **1.6.1. Publication of project design document**

#### **1.6.1.1. Submission of project design document**

29. The project participants of a proposed BOCM project prepare a draft PDD, which consists of a completed PDD form and monitoring plan, in line with the “Bilateral Offset Credit Mechanism Guidelines for Developing Project Design Document and Monitoring Report” (hereinafter referred to as “PDD and Monitoring Guidelines”), and submit them together with a modalities of communication statement (hereinafter referred to as “MoC”) and supporting documentation, as appropriate, to the TPE contracted by the project participants to perform validation of the project and to the Joint Committee for public inputs.
30. The secretariat issues a unique reference number to the BOCM project submitted to the Joint Committee for public inputs.
31. The secretariat notifies the receipt of the submission and the unique reference number to the project participant who has submitted the draft PDD and MoC.
32. Upon notifying the receipt of the submission, the secretariat makes the draft PDD publicly available through the BOCM website for public inputs. The duration of call for public inputs on the draft PDD is thirty (30) calendar days subsequent to the publication of the draft PDD. The secretariat informs the project participants and the TPE of the location of the draft PDD on the BOCM website and the opening and closing dates of the duration of call for public inputs.
33. In addition to the draft PDD, the secretariat, through the BOCM website, also makes the following information publicly available:
  - (a) The name of the proposed BOCM project;
  - (b) The location of the proposed BOCM project including coordinates;
  - (c) The names of the all project participants listed in the draft PDD of the proposed BOCM project;
  - (d) The name of the TPE which conducts validation (and verification) for the proposed BOCM project;
  - (e) The estimated annual greenhouse gas (GHG) emission reductions or removals indicated in the draft PDD;
  - (f) The approved methodology(ies) being applied to the proposed BOCM project;
  - (g) The proposed start date and length of the expected operation period.
34. Validation and verification can be conducted either simultaneously or separately. When the project participants apply for validation and verification simultaneously, all sections of the draft PDD and a draft monitoring report are completed prior to submission.

#### 1.6.1.2. Submission and treatment of public inputs

35. All stakeholders may submit inputs, in English, on the proposed BOCM project to the project participants and the TPE through electronic means specified on the BOCM website. The submitters of the inputs provide the name and contact details of the individual or organization on whose behalf the inputs are submitted. The TPE checks the authenticity and relevance of this information in case of doubt.
36. The secretariat makes the inputs publicly available through the BOCM website where the draft PDD is displayed, and removes those that the TPE has determined to be unauthentic in line with paragraph 35 above.

#### **1.6.2. Modalities of communication**

37. The project participants of a BOCM project designate one focal point entity (hereinafter referred to as the “focal point”) to communicate on their behalf with the Joint Committee and the secretariat in line with scopes of authority referred to in paragraph 40 below and include this information in an MoC.
38. After the submission of an MoC of a proposed BOCM project, all official communication between the project participants and the Joint Committee, the secretariat, or each side for the specific project is conducted through the focal point.
39. The project participants submit an MoC to the Joint Committee and the TPE, at the time of submitting the draft PDD to the TPE for validation and the Joint Committee for public inputs, using the latest version of the form for the MoC. The contact details of the focal point and other project participants are included in the form for the MoC.
40. The project participants grant the focal point the authority to:
  - (a) Communicate in relation to requests for issuance of credits to respective accounts;
  - (b) Communicate in relation to requests for addition and/or voluntary withdrawal of project participants and changes to the focal point, as well as changes to company names, legal status, contact details and specimen signatures; and
  - (c) Communicate on all other project-related matters not covered by subparagraphs (a) and (b) above.
41. The project participants and the focal point designate one primary authorized signatory and one alternate authorized signatory. The signature of either the primary or alternate authorized signatory suffices for authenticating the project participant’s or the focal point’s consent or instruction(s).
42. The project participants do not include or refer to private contractual arrangements in an MoC.

### **1.6.3. Validation of a proposed BOCM project**

43. The TPE, in line with the “Bilateral Offset Credit Mechanism Guidelines for Validation and Verification” (hereinafter referred to as “Validation and Verification Guidelines”), validates the MoC and the proposed BOCM project as described in the draft PDD, prepares a validation report, and sends the report to the project participants.
44. Validation can be conducted simultaneously with verification.

## **1.7. Registration of project**

### **1.7.1. Request for registration**

#### 1.7.1.1. Submission of request for registration

45. The project participants, after receiving a positive validation opinion by the TPE, may request for registration of the proposed BOCM project. When requesting for registration, the project participants submit the BOCM project registration request form, validated PDD and MoC, validation report, and other supporting documents, as appropriate, by electronic means.

#### 1.7.1.2. Processing request for registration

46. The secretariat maintains a publicly available list of all submitted requests for registration through the BOCM website.
47. The secretariat notifies the receipt of the request for registration to the project participants by electronic means.
48. Upon receiving the request for registration, the secretariat conducts within seven (7) calendar days a completeness check to determine whether the request for registration submission is complete.
49. Upon conclusion of the completeness check, the secretariat notifies the project participants and the TPE of the conclusion of the completeness check.

#### 1.7.1.3. Finalizing request for registration

50. Upon positive conclusion of the completeness check, the Joint Committee decides on whether to register the proposed BOCM project.
51. When the Joint Committee decides to register the proposed BOCM project, the secretariat notifies each side, the project participants, and the TPE of the registration and makes publicly available the relevant information on the BOCM project through the BOCM website.

## **1.8. Pre-issuance activities**

### **1.8.1. Preparation of monitoring report**

52. The project participants prepare a draft monitoring report in line with the applied methodology and the PDD and Monitoring Guidelines, and submit it together with supporting documentation to the TPE contracted by the project participants to perform verification of the monitored GHG emission reductions or removals.

### **1.8.2. Verification of emission reductions or removals**

53. The TPE, in line with the Validation and Verification Guidelines, verifies the amounts of GHG emission reductions or removals on the basis of the monitoring report submitted by the project participants, prepares a verification report, and sends the report to the project participants which requested verification.
54. Verification can be conducted simultaneously with validation.

## **1.9. Issuance of credits**

### **1.9.1. Request for issuance**

#### 1.9.1.1. Submission of request for issuance

55. The project participants who wish to have credits issued open an account in the registry of the Japanese side and/or the Bangladeshi side before requesting issuance of credits.
56. The project participants may request the Joint Committee to notify each side to issue credits to their respective accounts in the registry, only after the TPE verifies the amount of GHG emission reductions or removals. When requesting to notify each side to issue credits, the project participants submit the BOCM credits issuance request form, including information on the allocation of credits among the project participants on a pro-rata basis, the verified monitoring report, and the verification report by electronic means.

#### 1.9.1.2. Processing request for issuance

57. The secretariat notifies the receipt of the request for issuance to the project participants by electronic means.
58. The secretariat conducts within seven (7) calendar days a completeness check to determine whether the request for issuance, including allocation of the credits among the project participants on a pro-rata basis, is complete.
59. Upon positive conclusion of the completeness check, the Joint Committee decides on whether to notify each side of the amount of credits to be issued.
60. Upon decision by the Joint Committee, the secretariat notifies each side, the project participants and the TPEs of the result.



1.9.1.3. Finalizing request for issuance

61. Upon notification by the secretariat, each side issues the amount of credits specified in the notification to respective accounts of project participants in the registry.
62. Each side notifies the issuance of credits to the Joint Committee through the secretariat.
63. The secretariat archives all the data of issuance of credits and makes them publicly available through the BOCM website.