

### Joint Crediting Mechanism Glossary of Terms

Category	No.	Term	Definition
Emission reductions or removals	1.	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> ) (RoI para.3).
	2.	JCM project	GHG emission reductions or removals project activities under the JCM (RoI para.4).
	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.6).
	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.
	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.
	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 <i>ex ante</i> in the methodology applicable for the same project type in the host country. It should also be established conservatively in order to calculate 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,

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			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 government	Each government, based on the rules and guidelines as developed by the Joint Committee and in accordance with relevant domestic laws and regulations in respective countries to the implementation of the JCM: (a) Establishes and maintains a registry in line with the Common Specifications of the JCM Registry; (b) On the basis of notification for issuance of JCM credits by the Joint Committee, issues the notified amount of JCM credits to their respective registries. Each government promptly informs the other government of the issuance of JCM credits (RoI para.14-15).
	14.	Joint Committee	The Joint Committee consists of the representatives from the Government of Georgia and the Government of Japan. The Joint Committee develops or modifies the rules and guidelines necessary for the implementation of the JCM, approves proposed methodologies, designates third party entities, registers JCM projects, and notifies both governments to issue credits for a JCM project.
	15.	JCM secretariat	The Joint Committee establishes its secretariat for the implementation of the JCM. (RoI para.13).
	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 as 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 government to issue JCM 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.
	19.	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

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			<p>Spreadsheet.</p> <p>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.</p>
	20.	Proposed Methodology Spreadsheet	<p>A Proposed Methodology Spreadsheet is a part of a proposed methodology developed by methodology proponents.</p> <p>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.</p>
	21.	Monitoring Spreadsheet	<p>A Monitoring Spreadsheet is a part of an approved methodology.</p> <p>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 <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.</p>
	22.	Project design document (PDD)	<p>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.</p>
	23.	Monitoring plan	<p>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.</p>
	24.	Monitoring report	<p>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</p>

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			prepared using a Monitoring Report Sheet of a Monitoring Spreadsheet.
	25.	Registry	Each government establishes a registry to record and use JCM credits (RoI para.40).
	26.	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 (RoI para.4). 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 (RoI para.40).
Project cycle	27.	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 focal point entity to communicate on their behalf with the JCM secretariat and the Joint Committee in line with established scopes.
	28.	Validation	Validation is the process of independent evaluation of a proposed JCM project by a third-party entity against the Guidelines for Validation and Verification. (RoI para.25).
	29.	Registration	Registration is the formal acceptance by the Joint Committee of a validated project as a JCM project (RoI para.30).
	30.	Monitoring	Project participants implement a JCM project and monitor GHG emission reductions or removals by the JCM project based on the PDD (RoI para.34).
	31.	Verification	Verification is the periodic independent review and ex post determination of monitored GHG emissions reductions or removals for a specific monitoring period of a registered JCM project conducted by a third-party entity (RoI para.35).
	32.	Issuance of JCM credits	The action taken by each government to issue the JCM credits to its respective account in the registry in line with the notification of the Joint Committee.