

## 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”);  
and
  - (b) To establish the criteria and procedures for suspension and withdrawal, and procedures for reinstatement of designation of a TPE.  
TPETPEs.

## 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—2013 Greenhouse gases — Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition; and
  - (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 asand/or verify GHG emission reductions or removals as a result of registered JCM projects.
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; and
  - (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. Designation as a TPE**

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

9. To be designated as ~~TPEs; a TPE, a candidate entities fulfills~~ all requirements as listed paragraphs ~~1040 to and 1143 below.~~

### **4.1. General**

~~12. To be eligible to become a TPE under the JCM, the candidate entity is either:~~

~~10. An entity Candidate entities are either:~~

- (a) ~~Entities~~ 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 Entities~~ (hereinafter referred to as “~~DOE~~” or ~~DOEs~~) or operational entities accredited by the Executive Board under the Clean Development Mechanism (hereinafter referred to as “CDM”).

~~13. 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.~~

~~14. The sectoral scopes eligible for the candidate entities are determined as follows:~~

- ~~(+) 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.~~
- ~~(-) Candidate entities which are DOEs are eligible for the sectoral scopes for which they are designated as DOEs.~~

### **4.1. Competence**

~~19.11. A TPE has have sufficient knowledge of the JCM between Mongolia and Japan by reading and knowing all applicable rules and guidelines of the JCM.~~

### **4.2.5.2. Procedures for designation as a TPE**

~~20. Candidate entities submit an application form to the Joint Committee. The application form is as shown in Annex 2.~~

~~12. The Sectoral scopes under the JCM are described in Annex 1.~~

~~21.13. A candidate entity clearly indicates all sectoral scopes it wishes to be designated in submits the application form as shown in Annex 2 in these Guidelines to the Joint Committee.~~

~~22.14.~~ When a TPE wishes to be designated under the JCM for additional sectoral scopes ~~in line with paragraph 12,~~ the TPE submits ~~an~~ the application form and ~~seeks~~ its designation for those sectoral scopes.

~~23.15.~~ 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.

~~24.16.~~ When the application ~~has been~~ is deemed completed, the Joint Committee ~~determines~~ decides whether to designate the candidate entity as a TPE or reject the application.

17. When the Joint Committee designates the candidate entity, applicable sectoral scopes under the JCM for such entity are decided on the basis of:

- (a) In case the candidate entities are accredited under ISO 14065, sectoral competence of the candidate entities as described in their application; and
- (b) In case the candidate entities are designated/accredited under the CDM, the sectoral scopes identical to those under the CDM unless otherwise decided by the Joint Committee.

~~25.18.~~ 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.

19. When the TPE changes its contact details, the TPE notifies the secretariat of such changes by electronic means immediately.

## 5.6. Suspension, or withdrawal and reinstatement of the designation as a TPE<sup>1</sup>

### 5.1.6.1. Conditions for suspension or withdrawal of designation as TPE

~~26.20.~~ The ~~Joint Committee may suspend or withdraw the~~ designation of a TPE is suspended or withdrawn under the following conditions:

- (a) When the ~~performance of~~ Joint Committee decides that the TPE ~~under no longer complies with the applicable~~ JCM ~~is found to be not appropriate by rules and guidelines following~~ the review conducted by the Joint Committee;
- (b) ~~When the TPE has ceased to meet the conditions described in paragraph 10.~~
- (c) ~~When the Joint Committee suspends the status of the TPE changes regarding accreditation under ISO 14065 and/or accreditation/designation of a TPE, under the Joint Committee decides on whether to totally or partially suspend the TPE CDM; and~~
- (d) When the TPE voluntarily withdraws its designation status under the JCM.

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<sup>1</sup> Suspension or withdrawal of the designation may be for some or all sectoral scopes.

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

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

- 27.21. 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 ~~askdecide to appoint external experts or organizations to conduct such activities which assist part of its work regarding the review.~~
- 28.22. 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 decides on whether to~~ suspend or withdraw the designation of the TPE ~~for some or all sectoral scopes~~, but only after the TPE has had the possibility of a hearing. The suspension ~~and/or withdrawal takes immediately commences effect after on the date when~~ the decision ~~is taken~~ by the Joint Committee.

#### **5.2.2.6.2.2. Procedures for suspension or withdrawal due to ceasing to meet the conditions described changes in paragraph 10 the status of the TPE regarding accreditation under ISO 14065 and/or accreditation/designation under the CDM**

- 29.23. 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~~ ~~some or all sectoral scopes<sup>2</sup>~~, ~~the designation of the TPE for the corresponding sectoral scopes under the JCM~~ is suspended or withdrawn ~~with immediate effect on the date such suspension or withdrawal effect commences~~.
- 30.24. For a TPE designated only under the CDM, when the ~~accreditation~~/designation is suspended or withdrawn ~~for some or all sectoral scopes~~, the designation of the TPE for the ~~corresponding sectoral scopes under the JCM~~ is suspended or withdrawn ~~with immediate effect on the date such suspension or withdrawal effect commences~~.
- 31.25. For a TPE accredited ~~or designated both~~ under ISO14065 and ~~designated under~~ the CDM:

- (a) When ~~the accreditation or designation for either programme~~ ~~accreditation under ISO 14065 or accreditation/designation under the CDM~~ is suspended or withdrawn ~~for some or all sectoral scopes~~, the designation of the TPE for the ~~corresponding sectoral scopes under the JCM~~ is suspended or withdrawn ~~with immediate effect on the date such suspension or withdrawal commences~~ ~~effect unless otherwise except for~~ the cases described in subparagraphs (b) and (c) below;

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<sup>2</sup> "Withdrawal for some sectoral scopes" is described as "reducing scopes" under ISO 14065.

- (b) When either the TPE voluntarily withdraws the accreditation or designation for either programme for some or all sectoral scopes under ISO 14065 or the TPE voluntarily withdraws the accreditation for some or all sectoral scopes under the CDM, without having been suspended, the TPE maintains its designation of the TPE under the JCM; or
- (b) When the TPE is maintained for the corresponding sectoral scopes for which the TPE continues its accreditation or designation for under the other programme; and
- (c) When either programme is voluntarily withdrawn following its the TPE voluntarily withdraws the accreditation for some or all sectoral scopes under ISO 14065 or the TPE voluntarily withdraws the accreditation for some or all sectoral scopes under the CDM, which is currently under suspension, the designation of the TPE for the corresponding sectoral scopes under the JCM is suspended until the Joint Committee decides on withdrawal or continued whether to withdraw or reinstate the designation of such TPE.

32.26. In case when the status of the TPE falls under the conditions described in paragraphs 2322 to 2524, above, the TPE notifies the Joint Committee of such suspension or withdrawal status without delay.

### **6.2.3. Procedures for voluntary withdrawal by a TPE**

- 27. A TPE may withdraw its designation status for some or all sectoral scopes by submitting the letter through electric means specified on the JCM website, to the Joint Committee indicating the following:
  - (a) Name of the TPE with the signature of its authorized representative;
  - (b) Sectoral scopes that the TPE wishes to withdraw; and
  - (c) Date when the TPE wishes to withdraw its designation.
- 28. Voluntary withdrawal of the designation by a TPE for some or all sectoral scopes is effective on the same date indicated in line with paragraph 27(c) above.
- 29. Voluntary withdrawal of the designation by a TPE does not free the TPE from its contractual arrangement, including costs related to assessment conducted before withdrawal of designation of the TPE.

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

- 33.30. When the Joint Committee decides to suspend or withdraw the designation of a TPE is suspended or withdrawn for some or all sectoral scopes, the Joint Committee makes the name of the TPE, its status regarding sectoral scopes suspended or withdrawn TPE and the reasons for its the suspension or withdrawal publicly available through the JCM website without delay.

- 34.31. When the designation of a TPE is suspended or withdrawn for some or all sectoral scopes, the TPE notifies all affected organizations including project participants which the TPE is under contract to perform JCM validation and/or verification activities at by the time of suspension or withdrawal.
- 35.32. When the designation of 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.
- 36.33. When the designation of a TPE has been is withdrawn for some or all sectoral scopes, the TPE does not continue any JCM validation and/or verification activities for the sectoral scopes withdrawn.
- 37.34. Projects which had been already validated or verified by the TPE at the time of are not affected by its suspension or withdrawal are not affected by the suspension or withdrawal of the TPE. However, however, the Joint Committee may conduct any actions to these projects.

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

37. A TPE may withdraw its application for designation or its designation status by submitting a request to the Joint Committee.
37. The TPE informs, if applicable, any affected organizations of the withdrawal of its application for designation or its designation status.
37. 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.
37. When a TPE has withdrawn, the TPE does not continue any JCM validation and/or verification activities.

#### **5.10.6.4. Procedures for reinstatement for of designation suspended or withdrawn TPE**

38. The procedure for reinstatement for suspended TPE is as follows.
35. When a TPE whose designation is suspended or withdrawn following the review of the Joint Committee for some or all sectoral scopes in line with paragraph 20(a) above wishes its designation to be reinstated under the JCM, the TPE submits an the application form and documents which explain corrective actions for the causes of its suspension.–
36. When a TPE whose designation is suspended or withdrawn for some or all sectoral scopes in line with paragraph 20(b) above wishes its designation to be reinstated after the suspension is lifted or the accreditation is reinstated under ISO 14065 and/or the CDM, the TPE submits the application form.

37. When a TPE whose designation is voluntarily withdrawn in line with paragraph 20(c) above wishes its designation to be reinstated, the entity submits the application form.
- 39.38. The Joint Committee decides on whether to reinstate the designation of the suspended or withdrawn TPE based on the submitted documents.
- (+) 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.
- 41.39. When a suspension of a TPE is removed the designation of a TPE is reinstated, the secretariat makes the name of the TPE and its reinstated TPE sectoral scopes publicly available through the JCM website without delay.
41. 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	<p>Check as appropriate</p> <p><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.</p> <p>Sectoral scope(s) for validation Sectoral scope(s) for verification</p> <p><input type="checkbox"/> A Designated Operational Entity (DOE) <u>or for an operational entity accredited by the Executive Board under</u> the Clean Development Mechanism (CDM).</p> <p>Sectoral scope(s) for validation Sectoral scope(s) for verification</p>
Sectoral scope (s) applied for	<p>Validation</p> <hr/> <p>(Explanation for selecting the scope(s))</p> <p>Verification</p> <hr/> <p>(Explanation for selecting the scope(s))</p>
Type of application	<p>Check as appropriate</p> <p><input type="checkbox"/> Initial designation</p> <p><input type="checkbox"/> <u>Extension</u><u>Addition</u> of sectoral scopes</p>

<input type="checkbox"/> <u>Re-Reinstatement of</u> designation <input checked="" type="checkbox"/> <u>Voluntary withdrawal</u>
I declare that the information given in this application is correct to the best of my knowledge and belief. I conduct to inform the <u>JCM</u> -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 <u>JCM</u> secretariat in <u>accordance</u> with the procedures for <u>accreditation</u> / <u>designation</u> .
On behalf of the entity, I declare that the all applicable JCM rules and guidelines are understood.
Name
Position (state position if other than CEO)
Date
Signature