

## Joint Crediting Mechanism Guidelines for Designation of 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 of designation of TPEs.

## **2. Scope and applicability**

2. These Guidelines are applicable to candidate entities, TPEs, the Joint Committee and the JCM secretariat (hereinafter referred to as “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; 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 and/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**

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

9. To be designated as a TPE, a candidate entity fulfills all requirements as listed paragraphs 10 and 11 below.
10. 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) Designated Operational Entities (hereinafter referred to as “DOEs”) or operational entities accredited by the Executive Board under the Clean Development Mechanism (hereinafter referred to as “CDM”).
11. Candidate entities have sufficient knowledge of the JCM between the Republic of Indonesia and Japan by reading and knowing all applicable rules and guidelines of the JCM.

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

12. Sectoral scopes under the JCM are described in Annex 1.
13. A candidate entity submits the application form as shown in Annex 2 in these Guidelines to the Joint Committee through the secretariat.
14. When a TPE wishes to be designated under the JCM for additional sectoral scopes, the TPE submits the application form and seeks 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 is deemed complete, the Joint Committee 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.
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.

## **6. Suspension or withdrawal of the designation<sup>1</sup>**

### **6.1. Conditions for suspension or withdrawal of designation**

20. The designation is suspended or withdrawn under the following conditions:
- (a) When the Joint Committee decides that the TPE no longer complies with the applicable JCM rules and guidelines following the review conducted by the Joint Committee;
  - (b) When the status of the TPE changes regarding accreditation under ISO 14065 and/or accreditation/designation under the CDM; and
  - (c) When the TPE voluntarily withdraws its designation status under the JCM.

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

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

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 decide to appoint external experts or organizations which assist part of its work regarding the review.
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 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 or withdrawal immediately commences on the date when the decision is taken by the Joint Committee.

#### **6.2.2. Procedures for suspension or withdrawal due to changes in the status of the TPE regarding accreditation under ISO 14065 and/or accreditation/designation under the CDM**

23. For a TPE accredited only under ISO 14065, when its accreditation under ISO 14065 is suspended or withdrawn for 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 on the date such suspension or withdrawal commences.
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 on the date such suspension or withdrawal commences.
25. For a TPE accredited under ISO14065 and designated under the CDM:

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

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

- (a) When either 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 on the date such suspension or withdrawal commences except for the cases described in subparagraphs (b) and (c) below;
  - (b) When either 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, without being suspended, the designation of the TPE under the JCM is maintained for the corresponding sectoral scopes for which the TPE continues its accreditation or designation under the other programme; and
  - (c) When either 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 whether to withdraw or reinstate the designation.
26. In case the status of the TPE falls under the conditions described in paragraphs 23 to 25 above, the TPE notifies the Joint Committee through the secretariat of such 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.

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

30. When the designation of a TPE is suspended or withdrawn for some or all sectoral scopes, the secretariat makes the name of the TPE, its status regarding sectoral scopes suspended or

withdrawn and the reasons for the suspension or withdrawal publicly available through the JCM website without delay.

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 by the time of suspension or withdrawal.
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.
33. When the designation of a TPE 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.
34. Projects which had been already validated or verified by the TPE are not affected by its suspension or withdrawal, however, the Joint Committee may conduct any actions to these projects.

#### **6.4. Procedures for reinstatement of designation**

35. When a TPE whose designation is suspended or withdrawn for some or all sectoral scopes in line with paragraph 20(a) above wishes its designation to be reinstated, the TPE submits 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.
38. The Joint Committee decides on whether to reinstate the designation of the suspended or withdrawn TPE based on the submitted documents.
39. When the designation of a TPE is reinstated, the secretariat makes the name of the TPE and its reinstated sectoral scopes publicly available through the JCM website without delay.

### **7. Provisional designation**

#### **7.1. General**

40. The number of provisional designations per year does not exceed two (2) from Indonesian entities and two (2) from Japanese entities.

## **7.2. Requirements for provisional designation as a TPE**

41. The Joint Committee may provisionally designate an entity from Indonesia or Japan as a TPE for some or all sectoral scopes for which the entity is not designated within two (2) years from the date when this section of these Guidelines is adopted, if a candidate entity fulfills the conditions as follows:
  - (a) The entity has made a formal application for the accreditation under ISO 14065 based on ISO 14064-2 to an accreditation body that is a member of the IAF; and
  - (b) The accreditation body has completed the document and record review and the on-site assessment at the premise of the entity in the accreditation process stipulated in ISO/IEC 17011: 2004.

## **7.3. Procedures for provisional designation as a TPE**

42. The procedures for provisional designation are the same as the procedures described in section 5.2 above except for paragraph 17. When the candidate entity submits the application form to the Joint Committee through the secretariat, the candidate entity:
  - (a) Informs the date on which the application for accreditation was received by the accreditation body; and
  - (b) Attaches documents which demonstrate that the entity meets the condition described in paragraph 41 above including information on the sectoral scopes for which the candidate entity made a formal application for the accreditation under ISO 14065.
43. When the Joint Committee provisionally designates the candidate entity, applicable sectoral scopes under the JCM for such entity are decided on the basis of sectoral competence of the candidate entities as described in their application.
44. The term for which an entity is provisionally designated as a TPE is at a maximum of two (2) years from the date when the application form for the accreditation under ISO 14065 was received by the accreditation body.
45. The Joint Committee withdraws the provisional designation of a TPE if:
  - (a) The accreditation body decides not to proceed with the further accreditation process;
  - (b) The accreditation body decides not to grant accreditation to the entity;
  - (c) The accreditation body does not decide to grant accreditation to the entity within two (2) years from the date when the application form for the accreditation under ISO 14065 was received by the accreditation body; or
  - (d) The provisionally designated TPE voluntarily withdraws the formal application for the accreditation under ISO 14065.
46. The conditions and procedures for suspension, withdrawal and reinstatement of the provisional designation other than those described in paragraph 45 above are the same as the conditions and procedures described in section 6 above except for the cases described

in paragraph 20(b), section 6.2.2 and paragraph 36.

47. In case the status of the provisionally designated TPE falls under the conditions described in paragraph 45 above, the provisionally designated TPE notifies the Joint Committee through the secretariat of such status without delay.
48. Once the provisionally designated TPE is accredited under ISO 14065, the entity notifies the accreditation and its accredited scope(s) to the secretariat without delay. The provisionally designated TPE is designated as a TPE based on its accredited scope(s) under ISO 14065 on the date when the entity notifies the accreditation to the secretariat.
49. Once the provisionally designated TPE is designated as a TPE, the results of validation and/or verification commenced under the capacity of the provisionally designated TPE and witnessed by the accreditation body become valid automatically based on the designated sectoral scope(s).

## **8. Others**

50. The TPE to conduct validation/verification of JCM projects in Indonesia should include Indonesian personnel as their team members.



## **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. Reducing Emissions from Deforestation and Forest Degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD-plus)
15. Agriculture

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

|   |   |                                 |
|---|---|---------------------------------|
| Name of entity                            |   |                                 |
| Central office                            |   |                                 |
|   | Physical address  |                                 |
|   | Postal address<br>(if different from above)   |                                 |
|   | Contact details   | Telephone:<br>Mobile:<br>Email: |
| Office in Japan, if applicable            |   |                                 |
|   | Physical address  |                                 |
|   | Postal address<br>(if different from above)   |                                 |
|   | Contact details   | Telephone:<br>Mobile:<br>Email: |
| Office in the host country, if applicable |   |                                 |
|   | Physical address  |                                 |
|   | Postal address<br>(if different from above)   |                                 |
|   | Contact details   | Telephone:<br>Mobile:<br>Email: |
| Application condition                     | Check as appropriate  |                                 |
|   | <input type="checkbox"/> An entity accredited under ISO 14065 by an accreditation body that is a member of the International Accreditation Forum (IAF) based on ISO 14064-2.            |                                 |
|   | Sectoral scope(s) for validation  |                                 |
|   | Sectoral scope(s) for verification  |                                 |
|   | Name of the accreditation body  |                                 |
|   | <input type="checkbox"/> An entity which has made a formal application for the accreditation under ISO 14065 to an accreditation body that is a member of the IAF based on ISO 14064-2. |                                 |
|   | Sectoral scope(s) for validation  |                                 |
|   | Sectoral scope(s) for verification  |                                 |
|   | Name of the accreditation body  |                                 |
|   | <input type="checkbox"/> A Designated Operational Entity (DOE) or an operational entity accredited by the Executive Board under 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<br><input type="checkbox"/> Initial designation<br><input type="checkbox"/> Provisional designation<br><input type="checkbox"/> Addition of sectoral scopes<br><input type="checkbox"/> Reinstatement of designation |  |
| 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 line with the procedures for designation. |   |  |
| 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  |   |  |