

JCM in CHARTS for Vietnam

Ver. 2.0 (Feb 2016)





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This document aims to provide a comprehensive and easy-to-understand description of the Joint Crediting Mechanism (JCM). It should be noted that this document does not replicate in the exact manner all the texts agreed upon in the international negotiations. Also, there are issues yet to be settled in the international negotiations regarding detailed interpretations and processes. As for the details and exact expressions in the agreed texts, please refer to the respective documents available on the website of the JCM <<https://www.jcm.go.jp>>.

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Approved methodologies

AM001	Transportation energy efficiency activities by installing digital tachograph systems
AM002	Introduction of room air conditioners equipped with inverters
AM003	Improving the energy efficiency of commercial buildings by utilization of high efficiency equipment
AM004	Anaerobic digestion of organic waste for biogas utilization within wholesale markets
AM005	Installation of energy efficient transformers in a power distribution grid

Abbreviations and Acronyms

GHG	Greenhouse gas
JC	Joint Committee
JCM	Joint Crediting Mechanism
MoC	Modalities of Communication
PCP	Project Cycle Procedure
PDD	Project design document
PPs	Project participants
TPE	Third party entity
UNFCCC	United Nations Framework Convention on Climate Change
VV	Validation and Verification

Reference documents

Activity		Reference Rules/Guideline Document	Form
General		<ul style="list-style-type: none"> • Memorandum of Cooperation on Low Carbon Growth between the Japanese side and the Vietnamese side • Guidance for the Implementation of the JCM • Circular on regulations of development and implementation of JCM projects in the framework of cooperation between Vietnam and Japan (Ministry of Natural Resources and Environment Vietnam) • JCM Glossary of Terms 	
Joint Committee		JCM Rules of Procedures for the Joint Committee	
Project Procedures	Overall	JCM Project Cycle Procedure	
	Developing a Methodology	JCM Guidelines for Developing Proposed Methodology	<ul style="list-style-type: none"> • JCM Proposed Methodology Form • JCM Proposed Methodology Spreadsheet Form • JCM Approved Methodology Revision Request Form
	Developing a PDD	JCM Guidelines for Developing Project Design Document and Monitoring Report	<ul style="list-style-type: none"> • JCM Project Design Document Form • JCM Modalities of Communication Statement Form
	Monitoring	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • Monitoring Plan Sheet • Monitoring Structure Sheet • Monitoring Report Sheet
	TPE, Validation and Verification	<ul style="list-style-type: none"> • JCM Guidelines for Designation as a Third-Party Entity • JCM Guidelines for Validation and Verification 	<ul style="list-style-type: none"> • JCM Application Form for Designation as a Third-Party Entity • JCM Validation Report Form • JCM Verification Report Form
	Registration	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • JCM Project Registration Request Form • JCM Post-Registration Changes Request Form • JCM Registration Request Withdrawal Form • JCM Project Withdrawal Request Form
	Credit Issuance	JCM Project Cycle Procedure	<ul style="list-style-type: none"> • JCM Credits Issuance Request Form • JCM Issuance Request Withdrawal Form

1. The Joint Crediting Mechanism (JCM)

1-1. Bilateral document

- ◆ Japanese government and Vietnamese government signed on the “Memorandum of Cooperation on Low Carbon Growth between the Japanese side and Vietnamese side” in 2nd July 2013.
- ◆ In order to promote investment and deployment of low carbon technologies, products, systems, services and infrastructure to achieve low carbon growth in Viet Nam, establish a Joint Crediting Mechanism (JCM) . [Memo, para 3]
- ◆ Verified reductions or removals from the mitigation projects under the JCM can be used as a part of Japan’s internationally pledged GHGs mitigation efforts and Viet Nam’s nationally appropriate mitigation actions (NAMAs). [Memo, para 5]
- ◆ Both sides ensure the robust methodologies, transparency and the environmental integrity of the JCM and maintain the JCM simple and practical, to promote concrete actions for global GHG emissions reductions or removals [Memo, para 6]
- ◆ The JCM starts its operation as the non-tradable credit type mechanism. [Memo, para 9]
- ◆ This partnership covers the period from the signing of the MoU until a possible coming into effect of a new international framework under the Convention, which is expected to take place in 2020. Both sides consider possible extension of this partnership and reach a conclusion before its termination, taking into account, *inter alia*, the progress made in the UN negotiations on climate change. [Memo, para 11] [Gfl ver.1, para 42]

GHGs defined by the Protocol are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃) [Gfl ver.1, para 2]

Japan’s Intended Nationally Determined Contributions (INDC) towards post-2020 GHG emission reductions is at the level of a reduction of 26.0% by fiscal year (FY) 2030 compared to FY 2013 (25.4% reduction compared to FY 2005) (approximately 1.042 billion t-CO₂eq. as 2030 emissions), ensuring consistency with its energy mix, set as a feasible reduction target by bottom-up calculation with concrete policies, measures and individual technologies taking into adequate consideration, *inter alia*, technological and cost constraints, and set based on the amount of domestic emission reductions and removals assumed to be obtained.

- The JCM is not included as a basis of the bottom-up calculation of Japan’s emission reduction target, but the amount of emission reductions and removals acquired by Japan under the JCM will be appropriately counted as Japan’s reduction.
- Apart from contributions achieved through private-sector based projects, accumulated emission reductions or removals by FY 2030 through governmental JCM programs to be undertaken within the government’s annual budget are estimated to be ranging from 50 to 100 million t-CO₂. [GoJ Feb 2016]

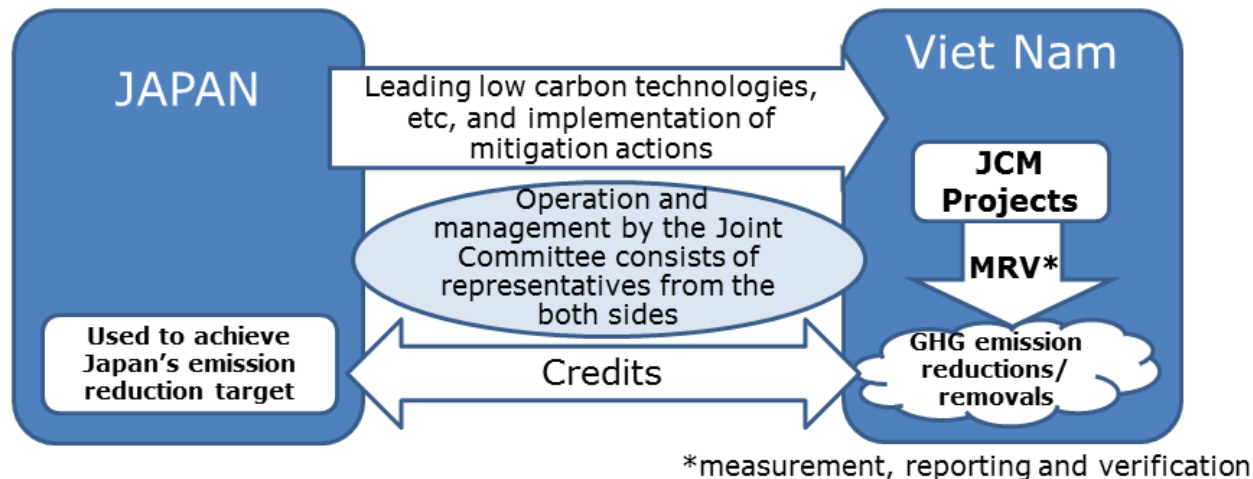
1-2. Concept of the JCM

The JCM has the following purposes [Gfl ver.1, para 1] :

- ☞ To facilitate diffusion of leading low carbon technologies, products, systems, services, and infrastructure as well as implementation of mitigation actions, and contributing to sustainable development of developing countries;
- ☞ To appropriately evaluate contributions to GHG emission reductions or removals from developed countries in a quantitative manner, through mitigation actions implemented in developing countries and use those emission reductions or removals to achieve emission reduction targets of the countries involved;
- ☞ To contribute to the ultimate objective of the UNFCCC by facilitating global actions for emission reductions or removals.

- ☞ The JCM starts its operation as the non-tradable credit type mechanism. Both sides continue consultation for the transition to the tradable credit type mechanism and reach a conclusion of such consultation at the earliest possible timing, taking account of implementation of the JCM. [Memo, para 4] [Gfl ver.1, para 9,]
- ☞ Both sides aim for concrete contributions to assisting adaptation efforts of developing countries through the JCM after the JCM is converted to the tradable credit type mechanism. [Memo, para 10]
- ☞ Each side checks the status of the issuance and use of credits and makes sure that no double counting is discovered. [Gfl ver.1, para 40]

Figure: the JCM scheme between Vietnam and Japan



1-3. Circular for implementing the JCM

- ☞ “Circular on regulations of development and implementation of JCM projects in the framework of cooperation between Vietnam and Japan” was issued on 6th April 2015 by Minister of Natural Resources and Environment and shall be valid until replaced by another legal document.
- ☞ Applied to agencies, organizations and individuals involved in the development, registration and implementation of projects registered under the JCM in the framework of low-carbon growth cooperation between the Viet Nam and Japan. [Circ., Article 2]
- ☞ Consists of 6 chapters:
 - General regulations
 - Third party entity designation
 - Proposal and approval of methodology
 - Project registration and approval
 - Project implementation and issuance of credits
 - Effectiveness of the circular and institutional arrangement

Highlights:

JCM projects are projects in the Socialist Republic of Viet Nam that aim to reduce GHG emissions or enhance GHG removals to contribute to Japan's emission reduction target and facilitate Viet Nam's nationally appropriate mitigation actions. [Circ., Article 3, para 5]

JCM website contains information on JCM technical guidelines by the JC and an electronic mail box to receive proposals by PPs, announcements of TPE designation, announcements of approved methodologies, announcements of JCM registered projects, and for public input of JCM methodologies and/or projects. [Circ., Article 3, para 13]
The JCM Vietnam website:
<http://en.jcmvietnam.vn>

Eligibility of JCM projects

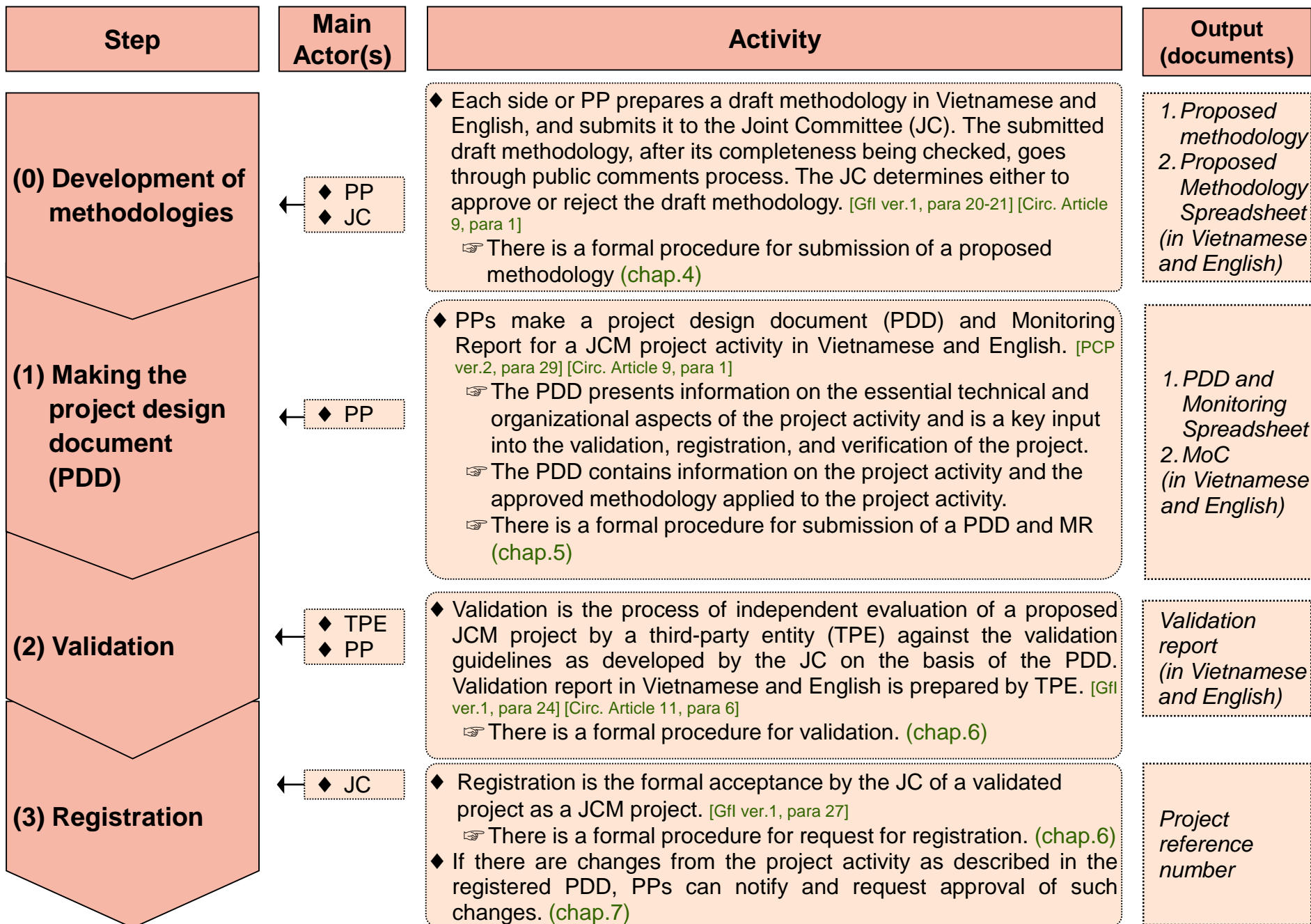
[Circ., Article 4, para 1]:

- a) Complying with existing laws and legislations in Vietnam, strategic priorities, and development planning of relevant sectors, Ministries or localities and contributing to the sustainable development of Vietnam;
- b) Developed and implemented on a voluntary basis, in compliance with the international laws Vietnam is currently a member to;
- c) Carried out in Vietnam's territory in collaboration with a Japanese partner.

JCM documents are to be provided both in English and Vietnamese language at the time of their submission [Circ.]:

- **Methodology development:** Proposed Methodology Form and Proposed Methodology Spreadsheet, Approved Methodology Revision Request Form
- **Project Registration:** Project Design Document (PDD), Monitoring Report, Modalities of Communication (MoC), supporting documents (new and modified versions if any), Project Registration Request Form, public inputs for PDD, Post-Registration Changes Request Form, Project Withdrawal Request Form
- **TPE designation :** Application Form for Designation as a TPE
- **Validation:** Validation report
- **Credit Issuance:** Verification Report, Credits Issuance Request Form, Issuance Request Withdrawal Form

2. JCM project cycle



Step	Main Actor(s)	Activity	Output (documents)
(4) Monitoring a JCM project activity	◆ PP	<ul style="list-style-type: none"> ◆ PP implement a JCM project and monitor GHG emission reductions or removals by the JCM project based on the PDD. [Gfl ver.1, para 30] ☞ Monitoring plan can be revised. 	<i>Monitoring report (in Vietnamese and English)</i>
(5) Verification	◆ TPE ◆ PP	<ul style="list-style-type: none"> ◆ Verification is the periodic independent review and ex post determination by TPE of the monitored GHG emissions reductions or removals as a result of a registered JCM project during the verification period. Verification report is prepared by the TPE in Vietnamese and English. [Gfl ver.1, para 31] [Circ. Article 15, para 1] ☞ There is a formal procedure for verification. (chap.8) 	<i>Verification report (in Vietnamese and English)</i>
(6) Issuance of credits	◆ PP ◆ JC	<ul style="list-style-type: none"> ◆ PPs request the JC to notify each side to issue the credits to its respective account in the registry on the basis of the verification report with the determined allocation of the credits among the project participants. The JC conducts a completeness check on the request, including for allocation of the credits among the project participants, and notifies each side of the result. [Gfl ver.1, para 35-36] ☞ There is a formal procedure for issuance of credits. (chap.8) 	<i>Credit serial number in the registry</i>
(7) Use of credits	◆ Each side	<ul style="list-style-type: none"> ◆ Credits issued by each side can be used to achieve emission reduction targets of both sides. 	<i>(depends on each side policy)</i>

BOX: JCM project cycle procedure (PCP) version 02.0 [PCP ver.2]

☞ This procedure describes the administrative steps to follow for PPs, TPEs, other stakeholders, the JC, the secretariat and both sides for approval of a methodology, registration of a JCM project, issuance of credits and related actions.

3. JCM – related body

3-1. Japanese government and Vietnamese government

◆ Both side [Memo, para 2-10]

- ☞ Hold close policy consultations at various levels for cooperation toward low carbon growth under the UN, at the regional and bilateral frameworks.
- ☞ Establish the JC to operate the JCM.
- ☞ Work in close cooperation to facilitate financial, technological and capacity building support necessary for the implementation of the JCM. Particularly the Japanese side will support the Vietnamese side for the implementation of the JCM.
- ☞ Continue consultation for the transition to the tradable credit type mechanism and reach a conclusion of such consultation at the earliest possible timing, taking account of implementation of the JCM.
- ☞ Aim for concrete contributions to assisting adaptation efforts of developing countries through the JCM after the JCM is converted to the tradable credit type mechanism.
- ☞ In conjunction with meetings of the JC, conduct policy consultations about the relevant policy measures of the JCM. [GfI ver.1, para 12]

◆ Each side [GfI ver.1, para 14-16, 20, 34]

- ☞ Based on the rules and guidelines as developed by the JC and/or in accordance with relevant domestic laws and regulations in respective countries for the implementation of the JCM
 - a) Prepares draft methodologies and submits them to the JC
 - b) Establishes and maintains a registry in line with the common specifications for registries, as developed by the JC
 - c) On the basis of notification for issuance of credit by the JC (including for allocation of credits among participants), issues the notified amount of credits to its registry.
 - ☞ Promptly informs the JC on the issuance of credits under the JCM.
 - ☞ Takes necessary measures to ensure transparency in the implementation of the JCM.
 - ☞ Prepares a draft methodology and submits it to the JC.
 - ☞ Establishes a registry to record and use the credits.
 - ☞ Designates members of the JC from the respective sides and notifies the other side of this designation in writing. [RoP ver.3, para 5]
- ◆ Neither side uses any mitigation projects registered under the JCM for the purpose of any other international climate mitigation mechanisms to avoid double counting. [Memo, para 7, GfI ver.1 para 17]

BOX: Support by Japanese government (FY2016) [GoJ Feb 2016] [<https://www.jbic.go.jp/ja/efforts/jcm>]

<ul style="list-style-type: none">• Financing Programme for JCM Model Projects, including collaboration with projects supported by JICA and other governmental-affiliated financial institute.• JCM REDD+ Model Project• ADB trust fund (JF JCM)• JCM Demonstration Projects• JCM Special Financing Scheme (JSF)	Capacity building
	Feasibility study

3-2. JCM Joint Committee (JC)

[Memo, para 4, Gfl ver.1, para 5-13, 22-23]

- ◆ The JC consists of representatives from both Japanese government and Vietnamese government
- ◆ Rules of procedures of the JC, including its membership, are formulated through consultations between both sides.
- ◆ The JC:
 - ☞ Develops or modify rules and guidelines regarding the JCM, methodologies to quantify the amount of GHG emission reductions or removals, requirements for designation of TPEs, and other matters relating to the implementation and administration of the JCM as necessary.
 - ☞ Convenes meetings on regular basis to evaluate the implementation of the JCM.
 - ☞ Modifies “Guidance for the Implementation of the Joint Crediting Mechanism” and the “Joint Crediting Mechanism Rules of Procedures for the Joint Committee”.
 - ☞ Designates, suspend or withdraw the TPE.
 - ☞ On the basis of a request for registration of JCM projects submitted by PPs, registers JCM projects which were validated by the TPE
 - ☞ On the basis of a request for notification to each side for issuance of credits submitted by project participants, the JC notifies both sides to issue the credits which were verified by the TPE.
 - ☞ Develops reports on the status of the implementation of the JCM and, where necessary, discusses issues related to the operation and management of the JCM.
 - ☞ Establishes its secretariat for the implementation of the JCM.

Members of the JC [RoP ver.3, para 5-8]

- ☞ Members of the JC designated by each side may not exceed 15. Members may be increased, decreased, or changed as long as they stay within the allowed number at any time with prior written notification of both sides.
- ☞ Each member of the JC should have no personal or direct financial interest in any matter under consideration by the JC.
- ☞ The JC has two Co-Chairs to be appointed by each side upon notification of each other with one of the Co-Chairs appointed by the Vietnamese side and the other appointed by the Japanese side, respectively. In case a Co-Chair resigns, the side which appointed the leaving Co-Chair, appoints his or her replacement.
- ☞ Each Co-Chair may designate an alternate from members of the JC from each side to perform the function of the Co-Chair. Such designation is distributed electronically or otherwise, in written form.

Meeting [RoP ver.3, para 9-15]

◆ Schedule

- ☞ The JC meets as necessary but no less than once a year
- ☞ The Co-Chairs give notice of the date of each meeting no less than two weeks prior to the date of the meeting.
- ☞ The Co-Chairs provide the agenda of each meeting no less than two weeks prior to the date of the meeting, and final draft of documents for the meeting no less than five working days prior to the date of the meeting.

◆ Decision in the meeting

- ☞ Decision by the JC is adopted by consensus.
- ☞ The Co-Chairs ascertain whether consensus has been reached. The Co-Chairs declare that a consensus does not exist if there is a stated objection to the proposed decision by a member of the JC.

◆ Attendance

- ☞ An alternate of each member of the JC from the respective side may attend the meetings of the JC to perform the function of the member of the JC. Such substitution is informed by electronic means or otherwise in written form prior to the concerned meeting.
- ☞ Meetings of the JC may be open to observers approved by both sides, except where otherwise decided by the JC.

Decision by electronic means and conference call

[RoP ver.3, para 16-18]

- ☞ The JC may adopt decisions by electronic means provided that all the following procedures are made:
 - (a) The proposed decisions are distributed by the Co-Chairs to all members of the JC by electronic means.
 - (b) The proposed decisions are deemed as adopted when, (i) no member of the JC has provided negative assertion by electronic means within 10 calendar days after distribution of the proposed decisions and both Co-Chairs have made affirmative assertion by electronic means, or (ii) all members of the JC have made affirmative assertion by electronic means.
- ☞ If a negative assertion is made by one of the members of JC, the Co-Chairs take into account the opinion of the member and take appropriate actions.
- ☞ The JC may hold conference calls to assist making decisions by electronic means.

[RoP ver.3, para 24-25]

- ☞ Members of the JC, the secretariat or any other bodies or persons that have been delegated the work to assist the JC respect the confidentiality of all confidential information acquired in his/her position and not make improper use of or disclose such confidential information to third parties.
- ☞ The full text of all decisions of the JC is made publicly available immediately after the decisions are adopted.

◆ Secretariat

- ☞ JC establishes its secretariat which services the JC by performing the work for the implementation of the JCM.
 - ☞ Department of Meteorology, Hydrology and Climate Change, standing office of the JC on the Vietnamese side:
 - a) Provide guidance to the Secretariat to assist JC
 - b) Coordinating with other relevant agencies to develop annual plans and monitor the implementation of the Circular; penalizing or appealing to penalize for project activities that break the regulations.
 - ◆ Department of Natural Resources and Environment of provinces and centrally-managed cities shall assist the local People's Committee and support PPs to implement JCM project.
 - ◆ Ministers, Heads of Ministry-equivalent bodies, Chairmen of the People's Committees, organizations and individuals related to the JCM shall be responsible for the implementation of the Circular.
 - ◆ External assistance
 - ☞ JC may establish panels necessary to assist it. The rules and procedures of such panels are decided by the JC.
 - ☞ The JC decide to appoint external experts to assist part of its work on a case-by-case basis.
- *Advisory team will support Vietnamese side JC members. The role and responsibility of it is not clarified yet.

The support structure of JCM JC [JC1, p1-2] Japanese side

Vietnamese side

JCM Joint Committee (JC)

Embassy of Japan in Viet Nam (2 members)
Ministry of Foreign Affairs
Ministry of Economy, Trade and Industry
Ministry of the Environment
Forestry Agency

Ministry of Natural Resources and Environment (5 members)
Ministry of Transport
Ministry of Agriculture and Rural Development
Ministry of Construction
Ministry of Industry and Trade
Ministry of Science and Technology
Ministry of Finance
Ministry of Planning and Investment

Advisory team

Secretariat

Mitsubishi UFJ Research and Consulting Co., Ltd.

Technology and International Cooperation Division,
Department of Meteorology, Hydrology and Climate Change,
Ministry of Natural Resources and Environment

- ◆ Third Party Entity (TPE) of a JCM project is a qualified, legal organization designated by the JC. TPEs perform validation and verification of JCM projects on the basis of requests from the PPs. [Circ., Article 3, para 8]
- ◆ A TPE that is designated by JC [GfI ver.1, para 18, 22-23]
 - (a) On the basis of requests from PPs, validates the project as described in a PDD prepared by the PPs, in line with the guidelines for the validation as developed by the JC, and informs the validation result to the PPs;
 - (b) On the basis of requests from PPs, verifies GHG emission reductions or removals achieved by the JCM project as described in the monitoring report prepared by the PPs, in line with the guidelines for the verification of GHG emission reductions or removals as developed by the JC, records the verification result in a verification report and sends the report to the PPs.
- ◆ Upon receiving an application for designation of a TPE submitted by a candidate, the JC designates a TPE in line with the guidelines for the designation of TPEs, and makes publicly available the relevant information on the designated TPE through a website. [<https://www.jcm.go.jp/vn-jp/tpes>]
- ◆ The JC may suspend or withdraw the designation of a TPE if it has found fraud, malfeasance or incompetence of the entity.

Requirements for designation as a TPE: [GL TPE ver.2, para 9-11]
 To be designated as a TPE, a candidate entity fulfills all requirements as follows:

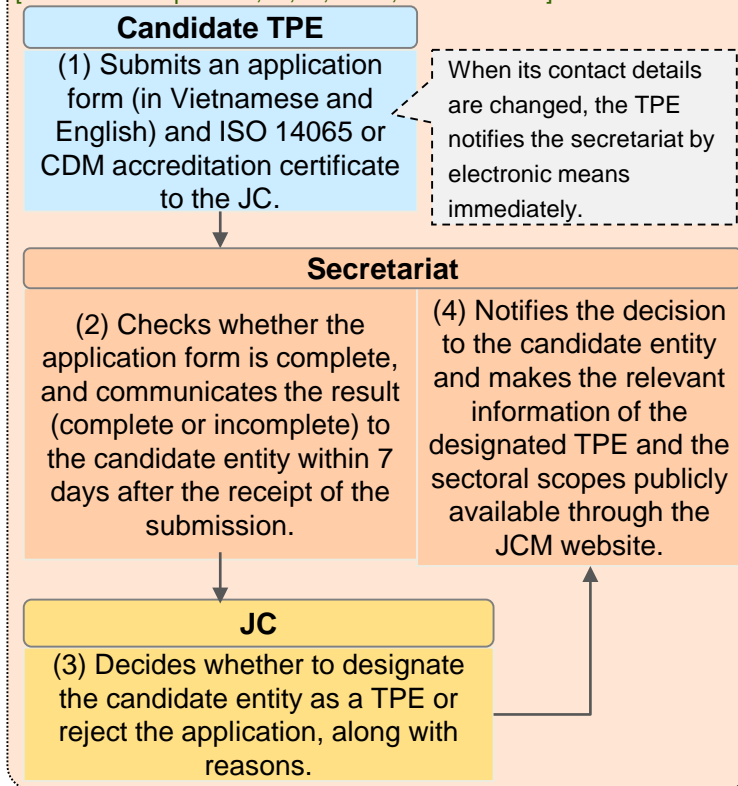
- ◆ Candidate entities are either:
 - ☞ Entity accredited under ISO 14065 by an accreditation body that is a member of the International Accreditation Forum based on ISO 14064-2; or
 - ☞ A Designated Operational Entity (DOE) or operational entities accredited by the Executive Board under the Clean Development Mechanism (CDM).
- ◆ Candidate entities has sufficient knowledge of the JCM between the Socialist Republic of Viet Nam and Japan by reading and knowing all applicable rules and guidelines of the JCM.

Sectoral scope: [GL TPE ver.2 para 14,17]

- ◆ 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.
- ◆ When the JC 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 JC.

Procedure for designation as a TPE:

[GL TPE ver.2 para 13,15,16,18-19, Circ. Article 6]



Suspension or withdrawal the designation as a TPE [GL TPE ver.2, para 20]

- ◆ The designation is suspended or withdrawn under the following conditions;
 - (a) When the JC decides that the TPE no longer complies with the applicable JCM rules and guidelines following the review conducted by the JC;
 - (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.

Procedures for suspension [GL TPE ver.2, para 21,22]

- ◆ The JC 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 JC may decide to appoint external experts or organizations which assist part of its work regarding the review.
- ◆ If the JC has carried out a review and found that the TPE no longer complies with the applicable JCM rules and guidelines, the JC decides on whether to suspend or withdraw the designation of the TPE, but only after the TPE has had the possibility of a hearing. The suspension and withdrawal immediately commences no the date when the decision is taken by the JC.

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 [GL TPE ver.2, para 23-26]

- ☞ For a TPE accredited only under ISO 14065, when its accreditation under ISO 14065 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.
- ☞ 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.
- ☞ For a TPE accredited under ISO14065 and designated under the CDM:
 - (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 JC decides whether to withdraw or reinstate the designation.
- ☞ In case the status of the TPE falls under the conditions described above, the TPE notifies the JC of such status without delay.

Procedures following suspension or withdrawal [GL TPE ver.2, para 30-34] [Circ. Article 8]

- ◆ When the designation of a TPE is suspended or withdrawn for some or all sectoral scopes, the JC 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.
- ◆ When the designation of a TPE is suspended or withdrawn for some or all sectoral scopes, the TPE notifies all affected organizations including PPs which the TPE is under contract to perform JCM validation and/or verification activities by the time of suspension or withdrawal.
- ◆ 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.
- ◆ 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.
- ◆ Projects which had been already validated or verified by the TPE are not affected by its suspension or withdrawal, however, the JC may conduct any actions to these projects.

Procedures for reinstatement of designation [GL TPE ver.2, para 35-39]

- ◆ When a TPE, whose designation is suspended or withdrawn for some or all sectoral scopes since it no longer complies with the applicable JCM rules and guidelines following the review conducted by the JC, wishes its designation to be reinstated, the TPE submits the application form and documents which explain corrective actions for the causes of its suspension.
- ◆ When a TPE, whose designation is suspended or withdrawn for some or all sectoral scopes since it ceased to meet the conditions described for accreditation under ISO 14065 and/or designation under the CDM, wishes its designation to be reinstated after the suspension is lifted or the accreditation is reinstated, the TPE submits the application form.
- ◆ When a TPE whose designation is voluntarily withdrawn wishes its designation to be reinstated, the entity submits the application form.
- ◆ The JC decides on whether to reinstate the designation of the suspended or withdrawn TPE based on the submitted documents.
- ◆ 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.

Voluntary withdrawal by a TPE

[GL TPE ver.2, para 27-29] [Circ. Article 8]

- ◆ 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 JC 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.
- ◆ Voluntary withdrawal of the designation by a TPE for some or all sectoral scopes is effective on the same date indicated above
- ◆ 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

BOX: JCM Guidelines for Validation and Verification version 1.0 (VV Guidelines) [GL VV ver.1]

☞ These Guidelines are applicable to TPEs that are under contractual arrangement with PPs to validate or verify any JCM projects based on JCM methodologies previously approved by JC.

BOX: JCM Guidelines for Designation as a Third-Party Entity version 2.0 [GL TPE ver.2]

☞ These Guidelines are applicable to candidate entities, TPEs, the JC and the secretariat with respect to designation, suspension and withdrawal of TPEs.

3-5. Project participants (PP)

- ◆ Project participants (PPs) are legal agencies and organizations in Viet Nam and/or Japan who directly participate in the development and implementation of a JCM project. [Circ. Article 3 para 6]
- ◆ Project participants: [GfI ver.1, para 19] [Circ. Article 9 para 1]
 - ☞ Prepare a draft methodology (in Vietnamese and English) and submit the draft to the JC for its approval
 - ☞ Prepare a draft PDD and submit the draft to a TPE for validation and notify the JC
 - ☞ Submit the PDD that was validated by the TPE to the JC for its registration of the project
 - ☞ Implement the JCM project and conduct monitoring in line with the PDD
 - ☞ Prepare a monitoring report and send the report to a TPE for verification
 - ☞ Submit a verification report prepared by TPE to the JC, and request notification to each side for issuance of credits under the JCM.

3-6. Procedures for modalities of communication (MoC)

Procedure for MoC [PCP ver.2, para 37-39, 43] [Circ. Article 11 para 1]

- ◆ The PPs of a JCM project designate one focal point entity (focal point) from the PPs to communicate on their behalf with the JC and the secretariat in line with the scopes of authority described below, and include this information in an MoC.
- ◆ After the submission of an MoC of a proposed JCM project, all official communication between the PPs and the JC, the secretariat, or each side for the specific project is conducted through the focal point.
- ◆ The PPs submit an MoC to the JC and the TPE, at the time of submitting the draft PDD to the TPE for validation and the JC for public inputs, using the latest version of the “JCM Modalities of Communication Statement Form” (MoC form) written in Vietnamese and English. The contact details of the focal point and other PPs are included in the MoC form.
- ◆ The secretariat publishes the MoC form on the JCM website following the registration of the project. The MoC is shared only among the PPs, the JC, the secretariat and the TPE involved in the JCM project. The secretariat makes sections 1 to 4 of the MoC without specimen signatures publicly available.

Focal point [PCP ver.2, para 40-42]

- ◆ The PPs 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 PPs 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.
- ◆ The PPs 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 PP's or the focal point's consent or instruction(s).
- ◆ The PPs do not include or refer to private contractual arrangements in an MoC.

3-6. Procedure for Modality of Communication (MoC)

Changes to registered modalities of communication [PCP ver.2, para 102-109]

- ◆ The focal point of the JCM project requests changes to the contents of the registered MoC to the secretariat as soon as possible after the changes become effective.
- ◆ The authorized signatories or the legal representatives of the PPs may directly notify the secretariat on any issues regarding the contents of the registered MoC by electronic means.
- ◆ The secretariat requests a new submission of a MoC form whenever the secretariat identifies inconsistencies or inaccuracies in a submitted MoC.
- ◆ Focal point uses the latest version of the MoC form to request changes to the MoC and submits it to the secretariat by electronic means. PPs may submit the MoC form by electronic means.
- ◆ Focal point or PPs who submit the MoC form ensures that:
 - (a) Supporting documentation, including powers of attorney, or extracts from board meeting minutes or company association documentation, or extracts/certificates from national company registries that cannot be verified online, is dated or notarized within 2 years from the time of submission of a request for change to established modalities of communication. This time limitation does not apply to copies of national personal identity documents;
 - (b) To the extent possible, changes applicable to more than one JCM project or multiple changes affecting the same JCM project are consolidated in a single form.
- ◆ Legal representatives signing on behalf of entities provide written evidence that they are authorized to sign on behalf of the respective entities.
- ◆ The secretariat may request additional clarification and/or documentation if submissions do not clearly provide evidence.
- ◆ The secretariat displays the updated MoC including its annex 1 as necessary and their effective dates on the JCM website.

Changes to focal point [PCP ver.2, para 110-111]

- ◆ The PPs for a registered JCM project may change the designation of the focal point for any reason and at any time by submitting a new MoC form signed by all PPs, either through the focal point or any of the PPs directly.
- ◆ The legal representative of a focal point may submit the MoC form if the primary and alternate authorized signatories of the focal point concerned are no longer available.

Changes to PPs [PCP ver.2, para 112-113]

- ◆ If the PPs of a registered JCM project have changed after the registration of the project, the focal point submits annex 1 of the MoC form for each of the following changes:
 - (a) Addition of a PP;
 - (b) Changes related to entity names/legal status;
 - (c) Withdrawal of a PP (if a PP has ceased operations due to bankruptcy or other reasons and is unable to sign the MoC form, the submission is accompanied by documented evidence of the cessation);
 - (d) Changes related only to contact details and specimen signatures.
- ◆ A PP added to a registered JCM project accepts the existing MoC unless a new MoC is submitted simultaneously.

4. JCM project methodology

4-1. Methodology structure

[Glos ver.1, No.19-21], [GL PM ver.1, para 10-17]

- ◆ Project methodology is a methodology is applied to JCM projects for calculating emission reductions achieved by each project and monitoring the JCM project which is submitted to and approved by the JC. [Glos ver.1, No.19., Circ. Article 3, para 12]

Proposed Methodology

- ☞ A methodology that has been submitted to the JC for approval.
- ☞ Consists of Proposed Methodology form and Proposed Methodology Spreadsheet.

Proposed Methodology Spreadsheet

- ☞ Defines a monitoring plan and enables calculation of GHG emission reductions automatically through inputting values.
- ☞ Consists of an input sheet and calculation process sheet.

Input sheet

Contains all the parameters to be monitored *ex post*, project-specific parameters to be fixed *ex ante* by the PPs (e.g. historical data) as well as the default factors which can be changed by the PPs. For each parameter, the methodology proponents fill in all the required fields, except for those of the inputted values.

Calculation Process Sheet

Contains all the default values which cannot be changed by the PP, calculation process to derive reference emissions and project emissions, and the resulting emission reductions.

Approved methodology

- ☞ A methodology that has been approved by the JC for application to JCM projects.
- ☞ Consists of an approved methodology document and a Monitoring Spreadsheet.

Monitoring spreadsheet

- ☞ Consists of a Monitoring Plan Sheet, Monitoring Structure Sheet, and Monitoring Report Sheet.

Monitoring Plan sheet

Used before validation for developing a monitoring plan and calculating emission reductions *ex ante*.

Monitoring Structure Sheet

Used before validation for developing an operational and management structure to be implemented for monitoring;

Monitoring Report Sheet

Used before verification for developing a monitoring report and calculating emission reductions *ex post*.

- ☞ Monitoring Plan Sheet and Monitoring Report Sheet include input sheet and calculation process sheet which are prepared based on the Proposed Methodology Spreadsheet. The Monitoring Structure Sheet is added by the secretariat after the approval of the proposed methodology by the JC.

BOX: JCM Guidelines for Developing Proposed Methodology (Methodology Guidelines)^[GL PM ver.1]

- ☞ These guidelines are intended to assist each side or methodology proponents in preparing proposed methodologies for the JCM and referred to by the JC in developing and assessing proposed methodologies.

4-2. Reference emissions

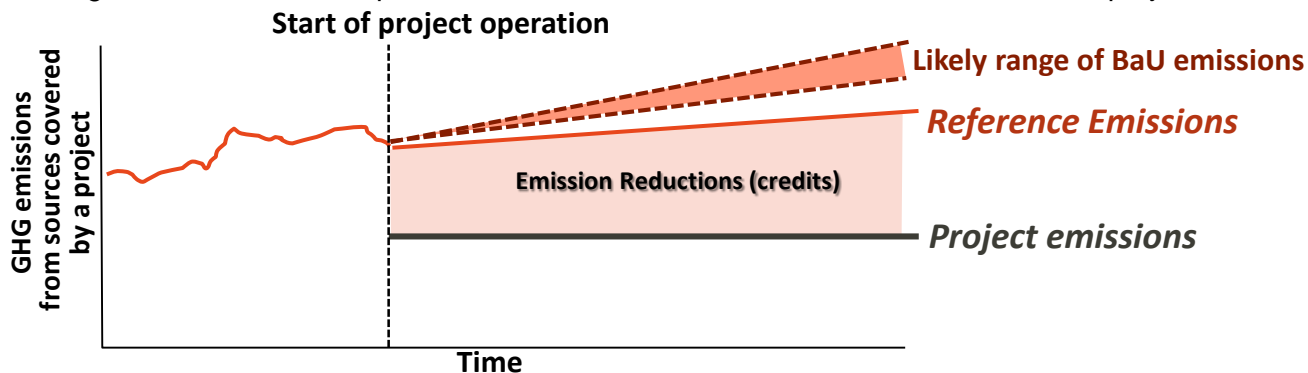
[GL PM ver.1, para 7-8] [Glos ver.1, No.5-8]

◆ In the JCM, emission reductions to be credited are defined as the difference between *reference emissions* and *project emissions*.

◆ The *reference emissions* are:

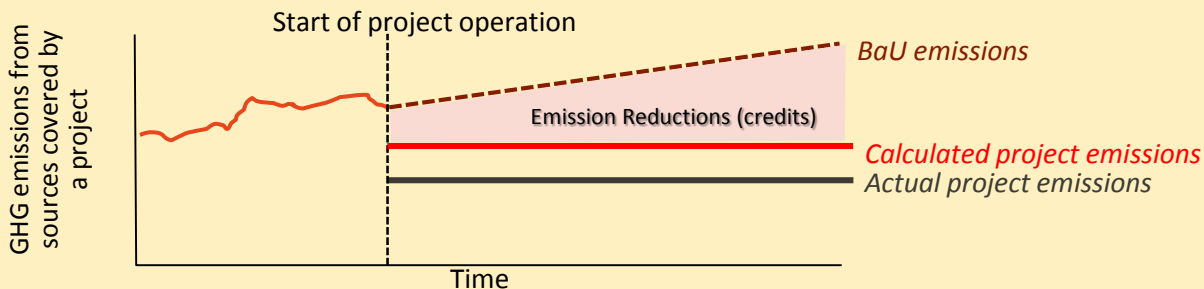
- ☞ Calculated to be below business-as-usual (BaU) emissions which represent plausible emissions in providing the same outputs or service level of the proposed JCM project in the Socialist Republic of Viet Nam (to ensure net decrease and/or avoidance of GHG emissions)
- ☞ Calculated by multiplying a crediting threshold which is typically expressed as GHG emissions per unit of output by total outputs.
 - ☞ Crediting threshold is typically expressed as GHG emissions per unit of output and established *ex ante* in the methodology applicable for the same project type in the host country. It should also be established conservatively.

Figure: Indicative diagram of the relationship between the BaU emissions, reference emissions and project emissions



BOX: Alternative way to realize net reduction [GoJ Feb 2016]

- ☞ Using conservative default values in parameters to calculate project emissions instead of measuring actual values will lead calculated project emissions larger than actual project emissions.



4-3. Eligibility criteria

[GL PM ver.1, para 9] [Glos ver.1, No.4]

- ◆ 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 approved methodology.

BOX: Eligibility criteria

- ◆ Eligibility criteria is: [GoJ Feb 2016]
 - ☞ Clearly defined in the methodology, can reduce the risks of rejection of the projects proposed by PPs.
 - ☞ A “check list” will allow easy determination of eligibility of a proposed project under the JCM and applicability of JCM methodologies to the project.
 - ☞ Both Governments determine what technologies, products, etc. should be included in the eligibility criteria through the approval process of the JCM methodologies by the JC.
 - ☞ PPs can use the list of approved JCM methodologies when applying for the JCM project registration.
- ◆ Eligibility of JCM projects: [Circ. Article 4, para 1]
 - ☞ Complying with existing laws and legislations in Vietnam, strategic priorities, and development planning of relevant sectors, ministries, or localities and contributing to the sustainable development of Vietnam;
 - ☞ Developed and implemented on a voluntary basis, in compliance with the international laws Vietnam is currently a member to;
 - ☞ Carried out in Vietnam’s territory in collaboration with a Japanese partner.
- ◆ Examples: [GoJ Feb 2016]

(a) Requirements for the project in order to be registered as a JCM project.

- ☞ Basis for the assessment of validation and registration of a proposed project
- ☞ Example
 - ✓ Introduction of xx (products/technologies) whose design efficiency is above xx (e.g. output/kWh)
 - ◀**Benchmark Approach**▶
 - ✓ Introduction of xx (specific high efficient products/technologies, such as air conditioner with inverter, electric vehicles, or PV combined with battery)
 - ◀**Positive List Approach**▶

(b) Requirements for the project to be able to apply the approved methodology

- ☞ Example
 - ✓ Existence of historical data for x year(s)
 - ✓ Electricity generation by xx (e.g. PV, wind turbine) connected to the grid
 - ✓ Retrofit of the existing boiler
- ☞ Same as “applicability condition of the methodology” under the CDM

4-4. Methodology development

[GL PM ver.1, para 10-17] [PCP ver.2, para 6] [Circ. Article 9]

- ◆ Methodology proponents provide supporting documents to justify key logical and quantitative assumptions regarding the choice of eligibility criteria, default values and establishment of reference emissions
- ◆ The Japanese side, the Vietnamese side or PPs are applicable to be methodology proponents.
- ◆ The proposed methodology:
 - ☞ Describes the procedures in a manner that is sufficiently explicit to enable the methodology to be used, be applied to projects unambiguously, and be reproduced by a third party;
 - ☞ Is possible for projects following the methodology to be subjected to JCM validation and/or verification;
 - ☞ Includes all algorithms, formulae, and step-by-step procedures needed to apply the methodology and validate the project, i.e. calculating reference emissions and project emissions;
 - ☞ Provides instructions for making any logical or quantitative assumptions that are not provided in the methodology and is made by the methodology user;
 - ☞ Avoids the intentional increase of credits caused by perverse incentives (e.g. when an increase in output is triggered by incentive to increase credits).

- ☞ The Proposed Methodology Form and the Proposed Methodology Spreadsheet are completed in English and Vietnamese language.
- ☞ The Proposed Methodology Form is not altered, that is, is completed without modifying its format, font, headings. If sections of the Proposed Methodology Form are not applicable, it is explicitly stated that the section is left blank on purpose.
- ☞ The presentation of values in the Proposed Methodology Form and the Proposed Methodology Spreadsheet should be in international standard format (e.g. 1,000 representing one thousand and 1.0 representing one). The units used should be accompanied by their equivalent S.I. units/norms (thousand/million) as part of the requirement to ensure transparency and clarity.

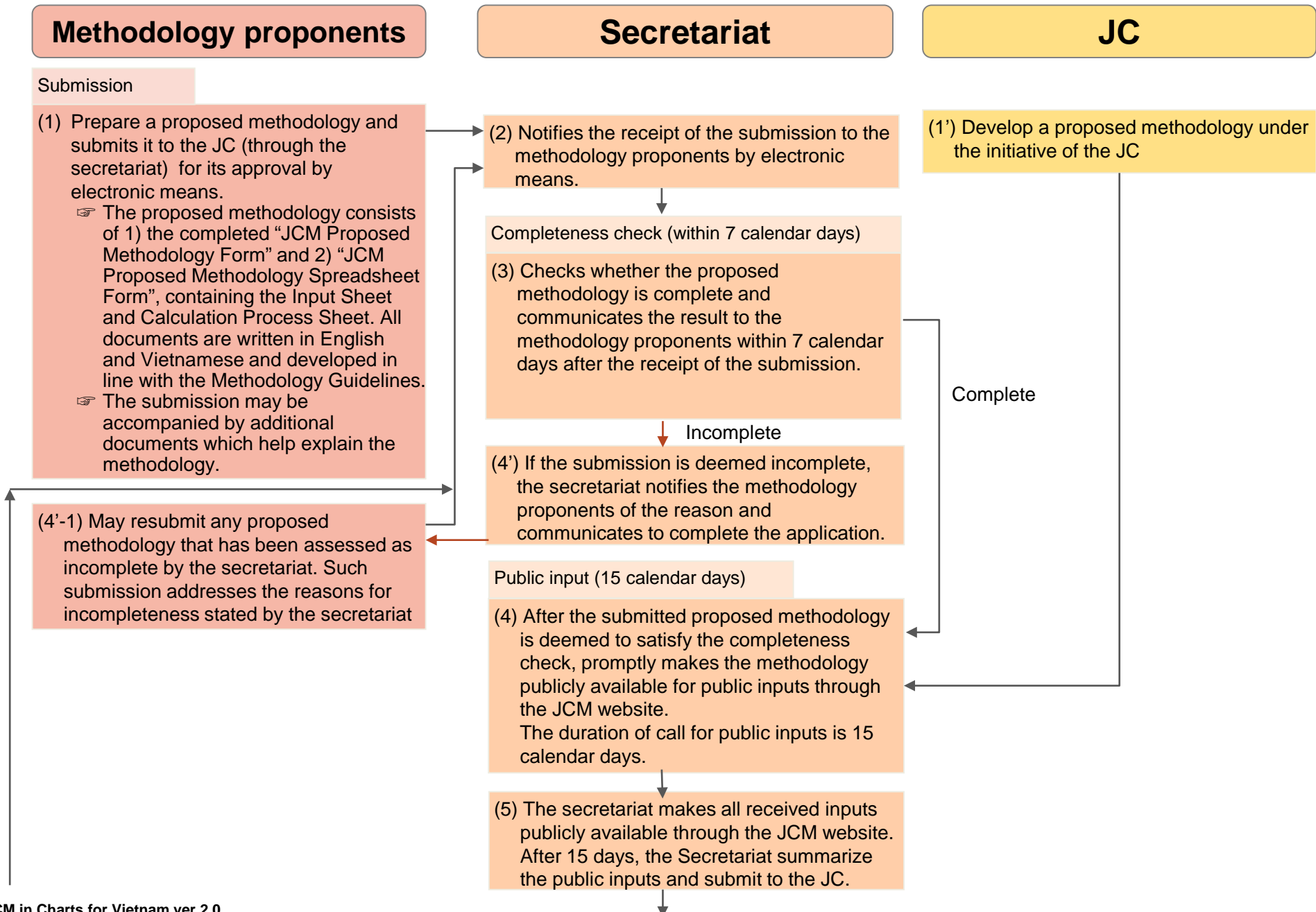
The JCM sectoral scope

[GL PM ver.1 Annex I] [Circ. Article 2]

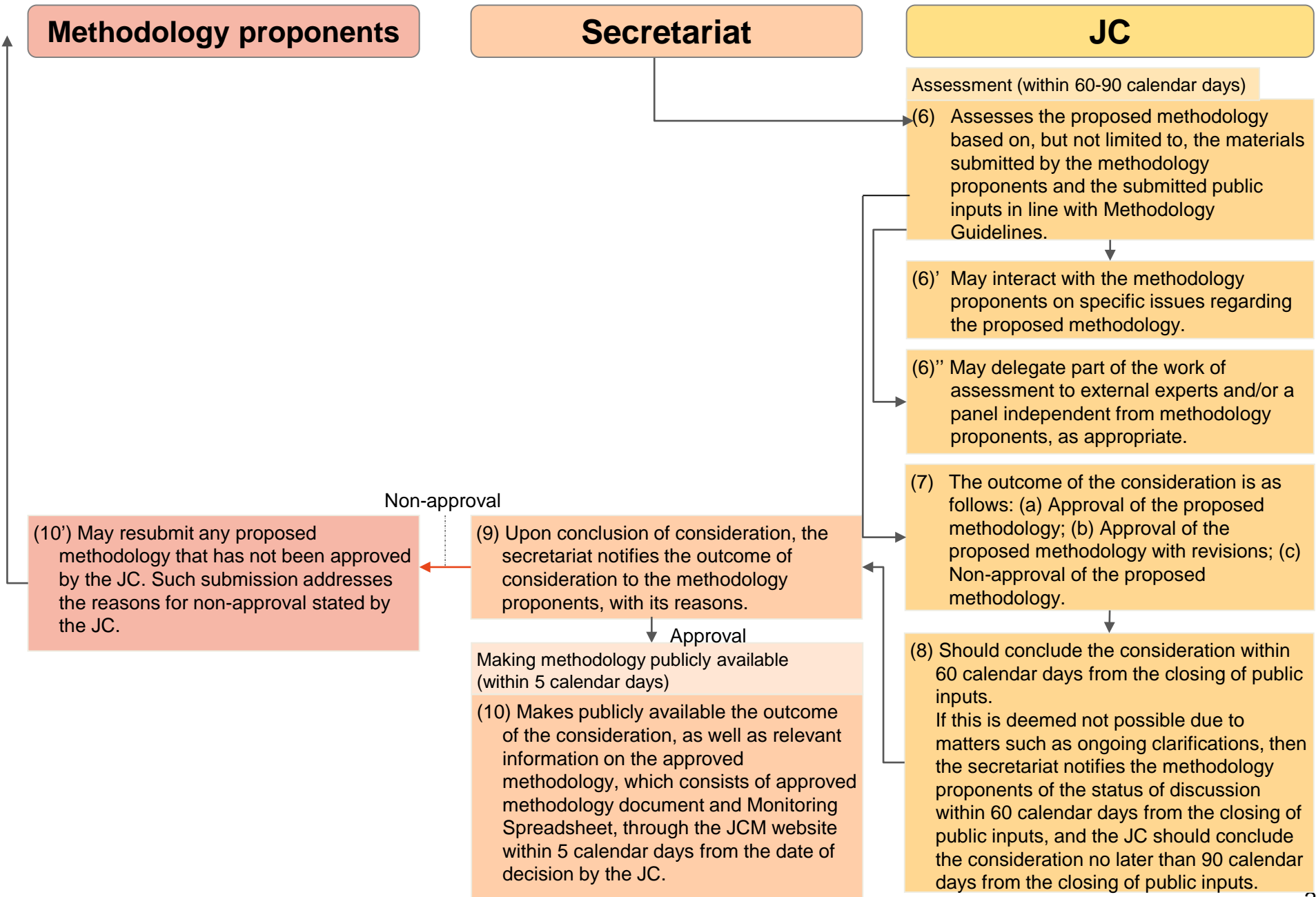
defines the category of GHG source sectors or groups of activities that apply to JCM projects. A JCM project may fall within more than one sectoral scope:

- | | | |
|---|---|---|
| 1. Energy industries (renewable - / non-renewable sources); | 3. Energy demand; | 11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride; |
| 2. Energy distribution; | 4. Manufacturing industries; | 12. Solvents use; |
| | 5. Chemical industry; | 13. Waste handling and disposal; |
| | 6. Construction; | 14. Afforestation and reforestation; |
| | 7. Transport; | 15. Agriculture. |
| | 8. Mining/Mineral production; | 16. Others |
| | 9. Metal production; | |
| | 10. Fugitive emissions from fuels (solid, oil and gas); | |

4-5. Procedure for submission of a proposed methodology

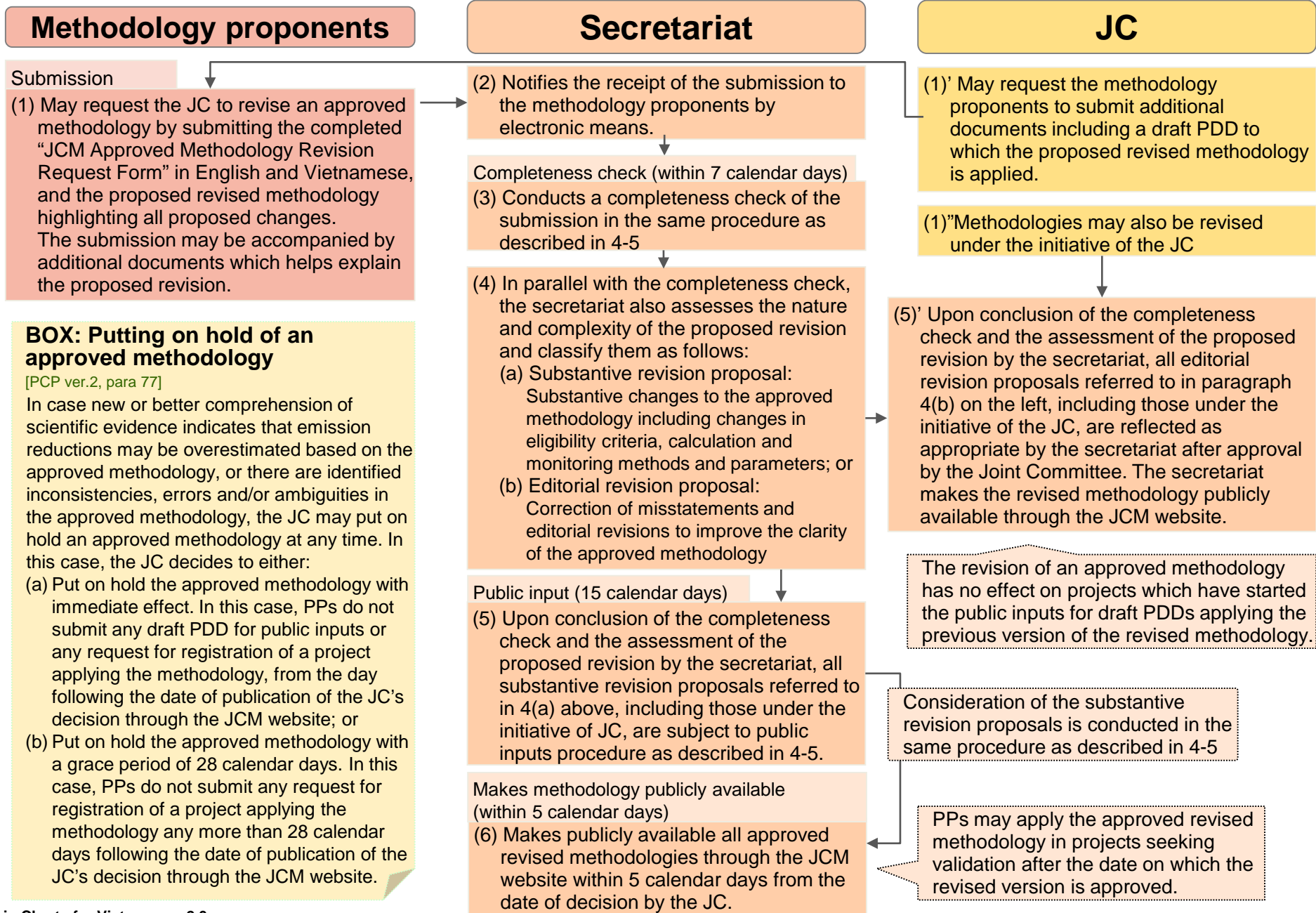


4-5. Procedure for submission of a proposed methodology



4-6. Procedure for revision of an approved methodology

[PCP ver.2, para 65-76] [Circ. Article 10]



5. Making project design document (PDD)

5-1. Making PDD

[GL PDD ver.1, para 9-22] [Circ. Article 3 para 7, Article 14]

- ◆ Project design document (PDD) is prepared by the PP of a JCM project and sets out in detail, in line with the JCM rules and guidelines, the JCM project which is to be realized.
- ◆ When designing a proposed JCM project and developing a PDD and a monitoring report, PPs apply PDD and Monitoring Guidelines and the selected methodology(ies), which contain(s) approved methodology document(s) and Monitoring Spreadsheet(s).
- ◆ PPs conduct the implementation and monitoring of registered JCM projects in accordance to the approved PDD.

PDD

Consists of a completed PDD form and monitoring plan using Monitoring Plan Sheet and Monitoring Structure Sheet. A monitoring report is completed by using Monitoring Report Sheet.

PDD form

JCM Project Design Document Form ver.1

Monitoring plan

Monitoring Plan Sheet

Monitoring Structure Sheet

- ☞ The PPs provide a description of the project that provides a comprehension of the nature of the project and its implementation.
- ☞ The PPs monitor the registered JCM project and its emission reductions. The PPs establish and apply quality management procedures to manage data and information. The PPs should reduce, as far as is practical, uncertainties related to the quantification of emission reductions.
- ☞ The Monitoring Spreadsheet may be revised when the corresponding approved methodology is revised.
- ☞ The PDD form and the Monitoring Spreadsheet are completed in English and Vietnamese language.
- ☞ The PDD form and the Monitoring Spreadsheet are not to be altered, that is, are to be completed without modifying its format, font, headings, except for rows added to the table in the Annex of the PDD form.
- ☞ Where a PDD contains information that the PPs wish to be treated as confidential or proprietary, the PPs are required to submit documentation in two versions: (1) One version where all parts containing confidential or proprietary information are made illegible, and (2) Another version containing all information that is to be treated as strictly confidential.
- ☞ Description related to application of the eligibility criteria and the environmental impact assessment is not considered confidential or proprietary.
- ☞ The presentation of values in the PDD, including those used for the calculation of emission reductions, should be in international standard format, accompanied by their equivalent S.I. units/norms as part of the requirement to ensure transparency and clarity.
- ☞ The starting date of a JCM project is the date on which the operation of a project begins and does not predate January 1, 2013. Expected operational lifetime may be explained with publicly available statistical data, reference data from similar projects, legal durable years, expert judgment, etc.

BOX: JCM Guidelines for Developing PDD and Monitoring Report (PDD and Monitoring Guidelines) [GL PDD ver.1]

- ☞ Are intended to assist PPs in developing JCM PDD and monitoring reports

5-2. Monitoring plan

[GL PDD ver.1, para 23-28] [Circ., Article 14]

- ◆ A monitoring plan sets out the methodology to be used by PPs for the monitoring of, and by TPEs for verification of the amount of GHGs emission reductions achieved by the JCM project. PPs develop before validation a monitoring plan using Monitoring Plan Sheet and Monitoring Structure Sheet in the corresponding Monitoring Spreadsheet of the methodology applied. During the implementation of the project, PPs must comply with JCM guidelines for validation and verification.

Requirements to PPs

PPs:

- ☞ Input estimated values for each parameter in the Monitoring Plan Sheet including those fixed *ex ante* for parameters not to be monitored.
- ☞ Describe the items written on the right for each parameter specified in the Monitoring Plan Sheet in line with the applied methodology(ies) and may add detailed information specific to the proposed project to the contents given in the applied methodology.
- ☞ Ensure that data monitored and required for verification and issuance be kept and archived electronically for two years after the final issuance of credits.
- ☞ Describe the operational and management structure to be implemented in order to conduct monitoring. The PPs establish and clearly indicate the roles and responsibilities of personnel, institutional arrangements, and procedures for data collection, archiving and reporting.
- ☞ Appoint a person who is responsible for overall monitoring activity including preparation of the monitoring report, and managing and archiving of data. The responsible person for monitoring:
 - Ensures the quality of the monitoring report and the structure and procedure for producing such a document;
 - Appoints a person(s) responsible for managing monitoring points, when necessary, to collect data and maintain and control measuring instruments (including calibration/regular inspection) at monitoring points.

Items to be described by the PPs:

- Estimated values: Provide the estimated values of the parameter for the purpose of calculating emission reductions *ex ante*;
- Monitoring option: Select an option from below;
 - Option A: Based on public data which is measured by entities other than the PPs (Data used: publicly recognized data such as statistical data and specifications);
 - Option B: Based on the amount of transaction which is measured directly using measuring equipments (Data used: commercial evidence such as invoices);
 - Option C: Based on the actual measurement using measuring equipments (Data used: measured values).
- Source of data: Provide the source of data used or to be used. Clearly indicate the type of data source (e.g. logbooks, daily records, surveys, etc.) and spatial level of data (e.g. local, regional, national, international), if applicable;
- Measurement methods and procedures: Describe how the parameters are to be measured/calculated including Quality Assurance/Quality Control procedures applied. If the parameter will be measured, describe the equipments to be used to measure it, including details on accuracy level, and calibration information (frequency, date of calibration and validity)
- Monitoring frequency: Describe the monitoring frequency (e.g. continuously, annually).

6. Registration

6-1. Validation requirements

[GL VV ver.1, para 5-76] [Circ. Article 3, para 9]

- ◆ Validation is the process of independent evaluation of a proposed JCM project by a TPE against VV Guidelines as developed by the JC on the basis of the PDD.
- ◆ The TPE:
 - (a) Determines whether the proposed JCM project complies with the requirements of the applied methodology(ies), VV Guidelines and decisions by the JC
 - (b) Assesses the claims and assumptions made in the PDD and MoC. The evidence used in this assessment is not limited to that provided by the PPs.
- ◆ The validation report, prepared by the TPE in Vietnamese and English, gives an overview of the validation conclusions and the validation process used by the TPE.

- ◆ **General requirements:** The TPE assesses the information provided by the PPs and applies the means of validation specified throughout VV Guidelines, including but not limited to document review, follow-up actions (e.g. on-site visit and interviews) as deemed necessary, reference to available information relating to projects or technologies similar to the proposed JCM project under validation. Where no specific means of validation is specified, the TPE applies appropriate auditing techniques.
- ◆ **PDD form:** The TPE determines whether the PDD was completed using the latest version of the PDD forms appropriate to the type of project and drafted in line with the PDD and Monitoring Guidelines.
- ◆ **Project description:** The TPE determines whether the description of the proposed JCM project in the PDD is accurate, complete, and provides an understanding of the proposed JCM project.
- ◆ **Application of approved methodology(ies):** The TPE validates that the project is eligible for applying selected methodology and that the applied version is valid at the time of submission of the proposed JCM project for validation.
- ◆ **Emission sources and calculation of emission reductions:** The TPE determines whether all relevant GHG emission sources covered in the methodology are addressed for the purpose of calculating project emissions and reference emissions for the proposed JCM project. The TPE determines whether the values for project specific parameters to be fixed *ex ante* listed in the Monitoring Plan Sheet are appropriate, if applicable.

- ◆ **Environmental impact assessment:** The TPE determines whether the PPs conducted an environmental impact assessment, if required by the Socialist Republic of Viet Nam, in line with the Vietnamese procedures.
- ◆ **Local stakeholder consultation:** The TPE determines whether the PPs have completed a local stakeholder consultation process and that due steps were taken to engage stakeholders and solicit comments for the proposed project.
- ◆ **Monitoring:** The TPE determines whether the description of the monitoring plan is based on the approved methodology and/or PDD and Monitoring Guidelines. The TPE determines whether the monitoring points for measurement are appropriate, as well as whether the types of equipment to be installed are appropriate if necessary.
- ◆ **Public inputs:** The TPE ensures that all inputs on the PDD of the proposed JCM project submitted in line with the PCP are taken into due account by the PPs..
- ◆ **MoC:** The TPE validates the corporate identity of all PPs and a focal point included in the MoC, as well as the personal identities, including specimen signatures and employment status, of their authorized signatories. The TPE validates that the MoC has been correctly completed and duly authorized.
- ◆ **Avoidance of double registration:** The TPE determines whether the proposed JCM project is not registered under other international climate mitigation mechanisms.
- ◆ **Start of operation:** The TPE determines whether the start of the operating date of the proposed JCM project does not predate January 1, 2013.

☞ Normative references [GL VV ver.1, para 4]

The following referenced documents are indispensable for the application of VV Guidelines:

- “ISO 14064-3:2006 Greenhouse gases -- Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions”
- PCP
- PDD and Monitoring Guidelines

BOX: Items coverage on JCM VV Guidelines and ISO 14064-3

Items		JCM VV Guidelines	ISO14064-3	Items		JCM VV Guidelines	ISO14064-3
General Items	Objectives	1	Introduction	General Items	Objectives	1	Introduction
	Scope and applicability	2, 3	1		Scope and applicability	2, 3	1
	Normative references	4	-		Normative references	4	-
	Terms and definitions	5-11	2	Validation requirements	Identifying issues and raising requests	22-27	-
	Roles and responsibilities	ROI 25-26, 32-33	-		Validation report	29-73, 77-80, 81	4.9
	Principles	-	3		Verification issues	-	-
General validation and verification procedures	TPE	13-15	4.1	Verification requirements	Compliance of the project implementation with the eligibility criteria of the applied methodology	102-104	4.7
	General validation and verification requirements	16	-		Assessment of the project implementation against the registered PDD or any approved revised PDD	105-107	-
	Validation approach	18	4.2, 4.4		Compliance of calibration frequency and correction of measured values with related requirements	108-113	-
	Means of validation	12, 19-21	4.2, 4.4		Assessment of data and calculation of GHG emission reductions	114-116	4.5-4.8
	Verification approach	82-86	4.2, 4.4		Assessment of avoidance of double registration	117-120	-
Means of verification	12, 90-92	4.2, 4.4	Post registration changes		121-125	-	
Development of validation and verification plans	Level of assurance	99 (verification)	4.3.1		Identifying issues and raising requests	93-98	-
	Materiality	100-101(verification)	4.3.5		Verification report	126-128	4.9
	Scope	-	4.3.4		Evaluation of validation or verification results	Judgment of reliance on internal control	-
	Understanding project activities and project implementation environment	-	4.4.1	Quality of evidence		87-89 verification only	4.6
	Risk assessment	-	4.4.1	Assessment against validation or verification criteria		-	4.7
	Sampling	17	4.4.3	Evaluation of the GHG assertions	-	4.8	
Items to be planned	-	4.4.2	Validation or verification opinions	-	4.9		
Validation requirements	Validation issues	-	-	QA/QC	Quality control review regarding validation or verification engagement	-	A.2.2.5 ISO65 8.5
	Project design document form	28, 29	-		Recording and retention	-	4.1
	Project description	30-32	-		Facts discovered after the validation or verification	-	4.11
	Application of approved methodology(ies)	33-37	A.2.4.6.2 A.2.6.1				
	Emission sources and calculation of emission reductions	38-46	A.2.4.6.2 A.2.6.1				
	Environmental impact assessment	47-49	-				
	Local stakeholder consultation	50-52	-				
	Monitoring	53-56	A.2.4.6.2 A.2.6.1				
	Public inputs	57-60	-				
	Modalities of communications	61-69	-				
	Avoidance of double registration	70-73	-				
	Start of operation	74-76	-				
	Identifying issues and raising requests	22-27	-				
	Validation report	29-73, 77-80, 81	4.9				

6-2. Publication of PDD

[PCP ver.2, para 29-36,44-45] [Circ. Chapter IV, Article 11]

PPs

Submission

- (1) Prepare a draft PDD, which consists of a completed PDD Form (in English and Vietnamese), monitoring plan, in line with the PDD and Monitoring Guidelines, and submit them together with a MoC (in English and Vietnamese) and supporting documentation, as appropriate, to the TPE contracted by the PPs to perform validation of the project and to the JC for public inputs.

TPE

- (2)' In line with the VV Guidelines, validates the MoC and the proposed JCM project as described in the draft PDD, prepares a validation report using the "JCM Validation Report Form" and sends the report to the PPs.
- (6) Checks the authenticity and relevance of this information on the name and contact details of the submitters in case of doubt.

BOX: Validation and verification

Validation and verification can be conducted either simultaneously or separately before, during or after the public input duration. When the PPs apply for validation and verification simultaneously, all sections of the draft PDD and the draft monitoring report are completed prior to submission.

Secretariat

- (2) Issues a unique reference number to the JCM project submitted to the JC for public inputs.

- (3) Notifies the receipt of the submission and the unique reference number to the project participant who has submitted the draft PDD and MoC.

Public input
(30 calendar days)

- (4) Upon notifying the receipt of the submission, the secretariat makes the draft PDD publicly available through the JCM website for public inputs. The duration of call for public inputs on the draft PDD is 30 calendar days subsequent to the publication of the draft PDD. The secretariat informs the PPs and the TPE of the location of the draft PDD on the JCM website and the opening and closing dates of the duration of call for public inputs.

BOX: Public inputs

Public inputs are sent in both Vietnamese and English through electronic means specified on the JCM website. The submitters of the inputs provide the name and contact details of the individual or organization on whose behalf the inputs are submitted.

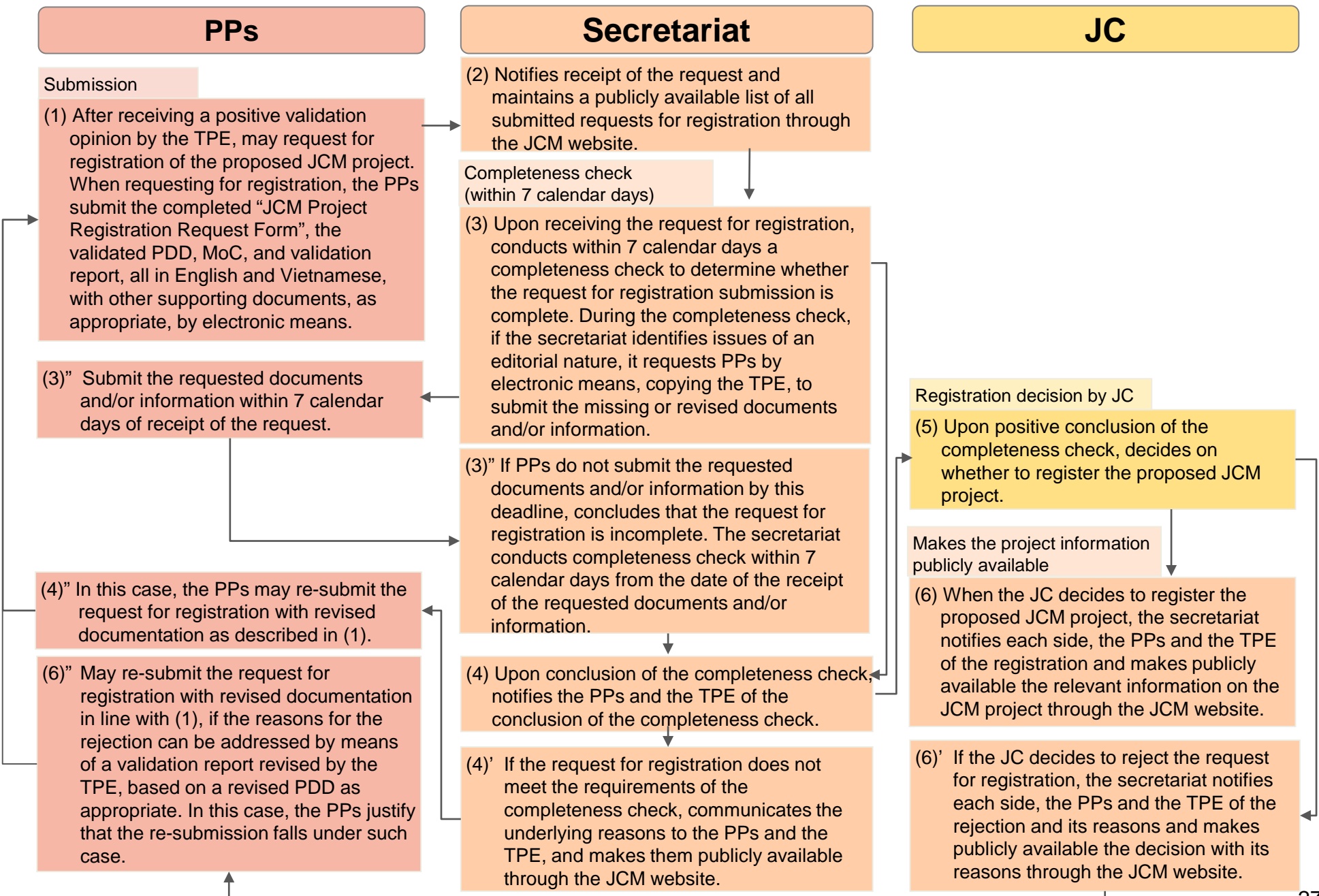
- (5) Makes the following information publicly available through the JCM website;
 - (a) The name of the proposed JCM project;
 - (b) The location of the proposed JCM project including coordinates;
 - (c) The names of the all project participants listed in the draft PDD of the proposed JCM project;
 - (d) The name of the TPE which conducts validation (and verification) for the proposed JCM project;
 - (e) The estimated annual GHG emission reductions or removals indicated in the draft PDD;
 - (f) The approved methodology(ies) being applied to the proposed JCM project;
 - (g) The proposed start date and length of the expected operation period.

- (7) Makes the inputs publicly available through the JCM website where the draft PDD is displayed, and removes those that the TPE has determined to be unauthentic

6-3. Procedures for requests for registration

6-3. Procedures for requests for registration

[PCP ver.2, para 46-52, 81-83] [Circ. Article 11]



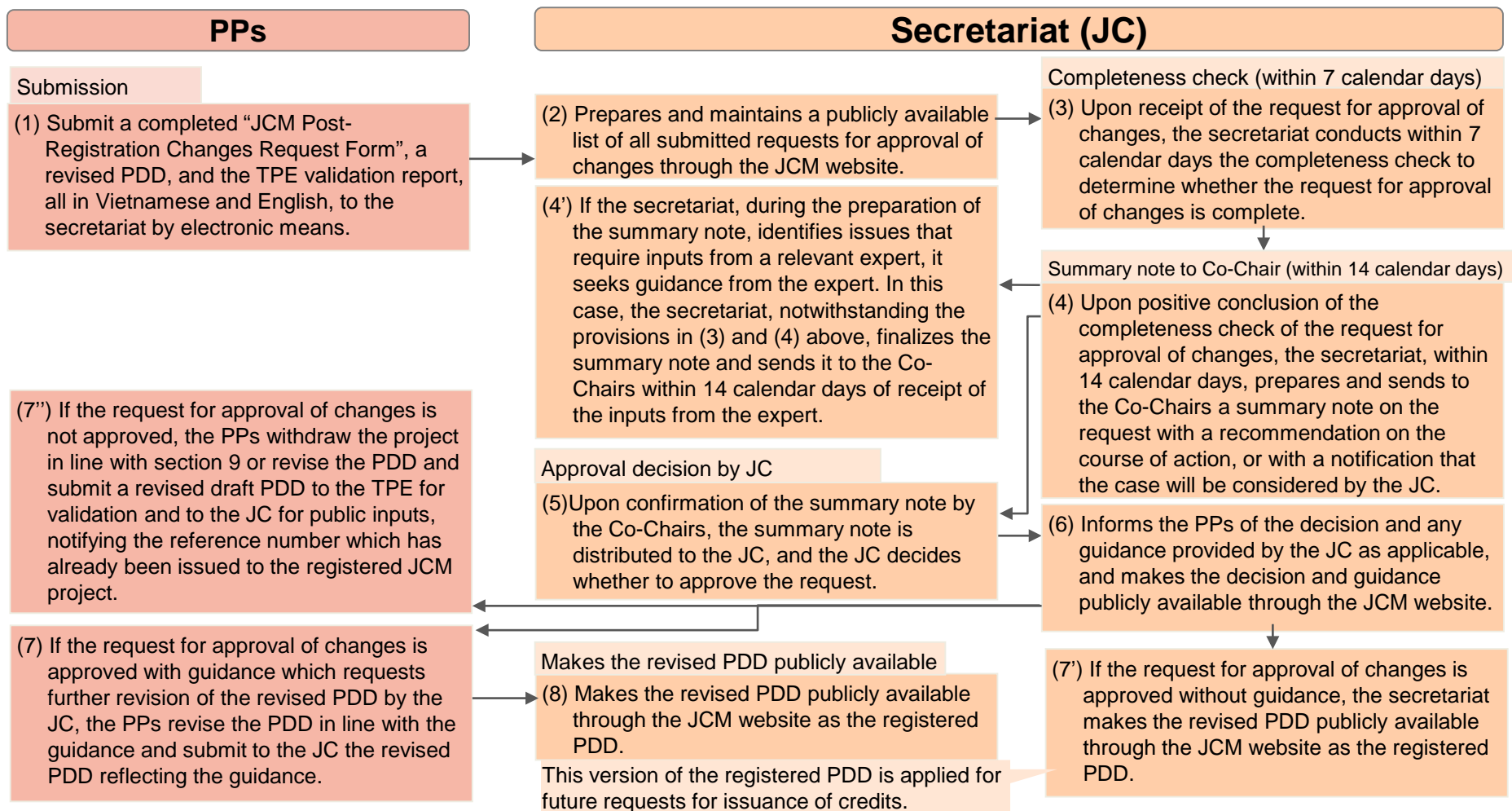
7. Post-registration activities

7-1. Changes to registered JCM project

[PCP ver.2, para 86-101] [Circ. Article 12]

When the project has been changed from the registered PDD and/or methodology, those changes are classified into the followings:

- Changes determined by the TPE that do not prevent the use of the applied methodology;
 - The PPs revise the PDD and submit it for the first issuance request subsequent to the revision.
- Changes identified by the PPs prior to verification or by the TPE during verification that would prevent the use of the applied methodology;
 - The PPs proceed to obtain approval of changes by the Joint Committee with the process described below.
- Changes identified by the PPs or determined by the TPE that prevent the use of the applied methodology.
 - The PPs withdraw the project in line with section 9. The PPs may re-submit a request for registration for the withdrawn project in line with 6-2.



7-2. Changes to registered MoC

[PCP ver.2, para 102-113]

- ◆ The focal point of the JCM project requests changes to the contents of the registered MoC to the secretariat as soon as possible after the changes become effective.

Requirements

- ☞ The authorized signatories or the legal representatives of the PPs may directly notify the secretariat on any issues regarding the contents of the registered MoC by electronic means.
- ☞ Focal point uses the latest version of the MoC Form to request changes to the MoC and submits it to the secretariat by electronic means. PPs may submit the MoC Form by electronic means in line with paragraph (b) described in the box on the right.
- ☞ Focal point or PPs who submit the MoC Form in line with paragraph (b) described in the box on the right ensures that:
 - (a) Supporting documentation, including powers of attorney, or extracts from board meeting minutes or company association documentation, or extracts/certificates from national company registries that cannot be verified online, is dated or notarized within 2 years from the time of submission of a request for change to established modalities of communication. This time limitation does not apply to copies of national personal identity documents;
 - (b) To the extent possible, changes applicable to more than one JCM project or multiple changes affecting the same JCM project are consolidated in a single form.
- ☞ Legal representatives signing on behalf of entities provide written evidence that they are authorized to sign on behalf of the respective entities.

The secretariat

- ☞ Requests a new submission of a MoC Form whenever the secretariat identifies inconsistencies or inaccuracies in a submitted MoC.
- ☞ May request additional clarification and/or documentation if submissions do not clearly provide evidence.
- ☞ Displays the updated MoC including its annex 1 as necessary and their effective dates on the JCM website.

Changes to focal point

- ☞ The PPs for a registered JCM project may change the designation of the focal point for any reason and at any time by submitting a new MoC Form signed by all PPs, either through:
 - (a) The focal point; or
 - (b) Any of the PPs directly
- ☞ The legal representative of a focal point may submit the MoC Form in line with paragraph above if the primary and alternate authorized signatories of the focal point concerned are no longer available.

Changes to PPs

- ☞ If the PPs of a registered JCM project have changed after the registration of the project, the focal point submits annex 1 of the MoC Form for each of the following changes:
 - (a) Addition of a PP;
 - (b) Changes related to entity names/legal status;
 - (c) Withdrawal of a PP. If a PP has ceased operations due to bankruptcy or other reasons and is unable to sign the MoC Form, the submission is accompanied by documented evidence of the cessation;
 - (d) Changes related only to contact details and specimen signatures.
- ☞ A PP added to a registered JCM project accepts the existing MoC unless a new MoC is submitted simultaneously.

8. Issuance of credits

8-1. Verification requirements

[GL VV ver.1, para 82-125] [Circ. Article 3 para 10, Article 15]

- ◆ Verification is the periodic independent review and *ex post* determination by a TPE of the monitored GHG emissions reductions or removals as a result of a registered JCM project during the verification period.
- ◆ A TPE determines whether the project complies with the requirements of the applied methodology(ies), these Guidelines, and decisions by the JC.
- ◆ Verification report, prepared by the TPE in Vietnamese and English on the evaluated and verified GHG emission reductions or removals, gives an overview of the verification conclusions and the verification process used by the TPE. All verification findings are identified and justified.

◆ General requirements:

- ☞ Main focus of verification are given to the assessment of:
 - (a) The eligibility criteria which are stipulated in the applied methodology of implemented projects are satisfied;
 - (b) The data used in monitoring reports is credible and reliable;
 - (c) Double registration is avoided;
 - (d) There are no post registration changes which prevent the use of the applied methodology.
- ☞ The TPE reviews:
 - (a) The registered PDD, including any approved changes from the registered PDD and the corresponding validation opinion;
 - (b) The validated PDD in case validation and verification are conducted simultaneously and the corresponding validation opinion;
 - (c) The validation report;
 - (d) Previous verification reports, if any;
 - (e) Applied methodology;
 - (f) Monitoring report to verify that it is as per the corresponding Monitoring Report Sheet to the applied methodology;
 - (g) Any other information and references relevant to the project's emission reductions;
 - (h) Written confirmation of the avoidance of double registration.
- ☞ The TPE assesses the information provided by the PPs and applies the means of verification specified throughout VV Guidelines, including but not limited to document review and on-site assessment. Where no specific means of verification is specified, the TPE applies appropriate auditing techniques.

◆ Compliance of the project implementation with the eligibility criteria of the applied methodology

The TPE determines the conformity of the actual project and its operation with the eligibility criteria of the applied methodology.

◆ Assessment of the project implementation against the registered PDD or any approved revised PDD

◆ Compliance of calibration frequency and correction of measured values with related requirements

If monitoring of parameters related to the GHG emissions reductions of a project has been conducted by measuring equipments (monitoring Option C defined in the PDD and Monitoring Guidelines), the TPE determines whether the measuring equipments have been properly calibrated in line with the monitoring plan and whether measured values are properly corrected, where necessary, to calculate emission reductions in line with the PDD and Monitoring Guidelines.

◆ Assessment of data and calculation of GHG emission reductions

The TPE assesses the data and calculations of GHG emission reductions achieved by/resulting from the project by the application of the selected approved methodology.

◆ Assessment of avoidance of double registration

The TPE determines whether the project is not registered under other international climate mitigation mechanisms.

◆ Post registration changes

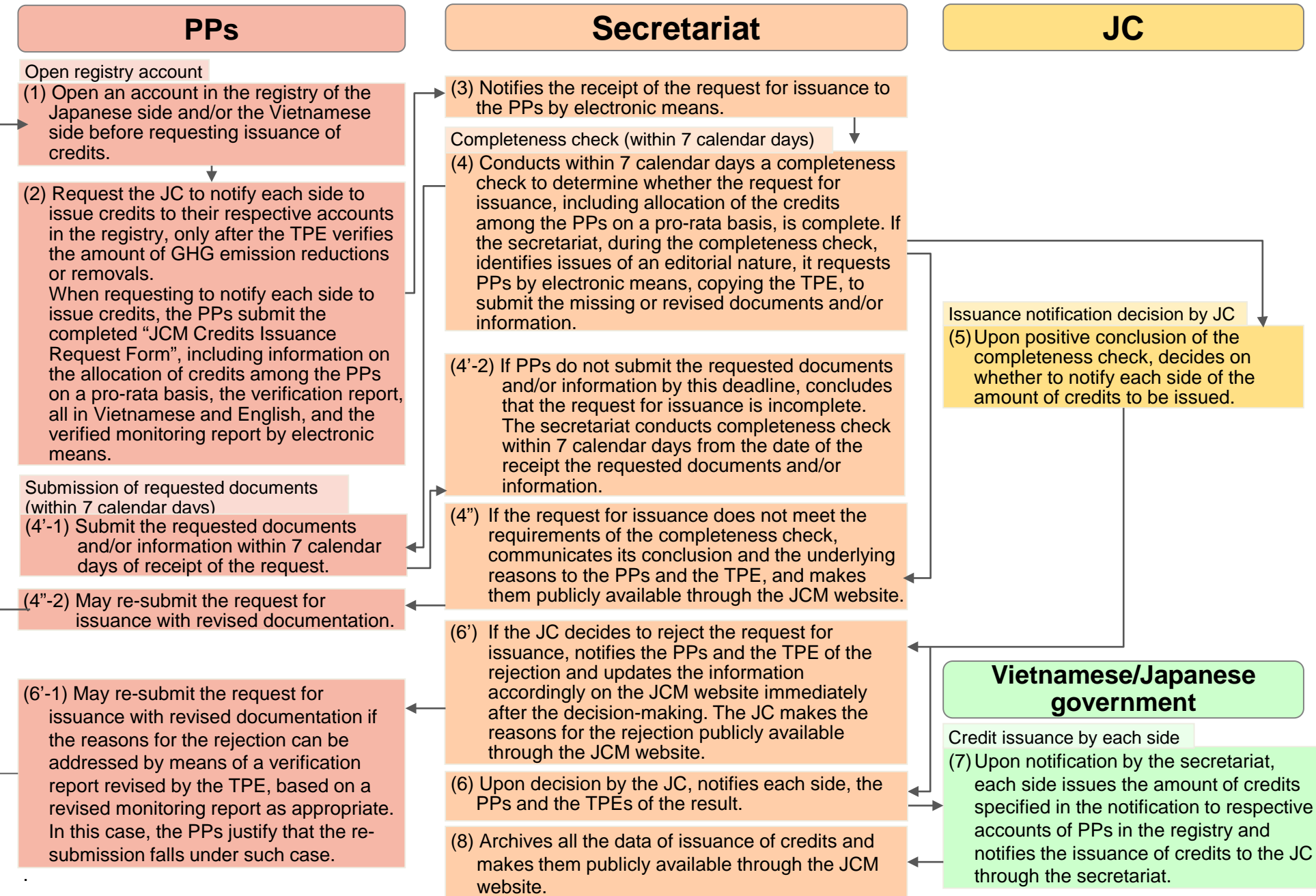
The TPE determines whether there are post registration changes from the registered PDD and/or methodology which prevent the use of the applied methodology.

☞ **Level of assurance:** The TPE applies the reasonable assurance level for verification in line with ISO 14064-3:2006.

☞ **Materiality:** The TPE uses the concept of materiality for verification in line with ISO 14064-3:2006. The threshold of materiality for verification is set at 5 percent of emission reductions.

8-2. Procedures for requests for issuance of credits

[PCP ver.2, para 56-64, 114-118] [Circ. Article 15]



9. Withdrawal

9-1. Procedures for requests for withdrawal

[PCP ver.2, para119-123] [Circ. Article 16]

PPs

- (1) PPs take liability for damages caused by their withdrawal to the affected parties. For each following case, the PPs submit a completed request form in Vietnamese and English to the JC by electronic means:
 - (a) The PPs may voluntarily withdraw a proposed or registered JCM project at any time.
 - ☞ The PPs submit a completed “JCM Project Withdrawal Request Form”
 - (b)
 - (i) The PPs voluntarily wish to withdraw a request for registration
 - (ii) The TPE has revised its validation opinion based on new insights or information and has notified it to the PPs
 - ☞ The PPs submit a completed “JCM Registration Request Withdrawal Form”
 - (c)
 - (i) The PPs voluntarily wish to withdraw a request for issuance for the specified monitoring period
 - (ii) The TPE has revised its verification report based on new insights and has notified it to the PPs
 - ☞ The PPs submit a completed “JCM Issuance Request Withdrawal Form”

Secretariat

- (2) Upon receipt of the request for withdrawal, the secretariat confirms the documents submitted.
- (3) Upon confirmation by the secretariat:
 - (a) For a withdrawal of a project, the project is marked as “withdrawn” on the JCM website;
 - (b) For a withdrawal of a request for registration, the request for registration is marked as “withdrawn” on the JCM website;
 - (c) For a withdrawal of a request for issuance, the request for issuance for the specified monitoring period is marked as “withdrawn” on the JCM website.

Glossary

<i>Examples of abbreviated titles used in this CHARTS, shown in []</i>	<i>Corresponding formal document symbols and titles</i>
Memo., para 1	M emorandum of Cooperation on Low Carbon Growth between the Japanese side and the Vietnamese side, p aragraph 1
Circ., para1	C ircular on regulations of development and implementation of JCM projects in the framework of cooperation between Vietnam and Japan, p aragraph1
JC1, p1	J oint C ommittee of the Joint Crediting Mechanism between Viet Nam and Japan First meeting, Meeting report, p age 1
GoJ Feb 2016	G overnment of J apan “Recent Development of the Joint Crediting Mechanism”, F ebruary 2016
Gfl ver.1, para1	G uidance for the I mplementation of the Joint Crediting Mechanism V ersion 1.0, p aragraph 1 (ver.1 was adopted on 17 February 2014)
Glos ver.1, No. 1	Joint Crediting Mechanism G lossary of terms V ersion 1, N o. 1 (ver.1 was adopted on 17 February 2014)
PCP ver.2, para1	Joint Crediting Mechanism P roject C ycle P rocedure V ersion 2.0, p aragraph 1 (ver.2 was adopted in 2015)
GL PM ver.1, para1	Joint Crediting Mechanism G uidelines for Developing P roposed M ethodology V ersion 1.0, p aragraph 1 (ver.1 was adopted on 17 February 2014)
GL PDD ver.1, para1	Joint Crediting Mechanism G uidelines for Developing P roject D esign D ocument and Monitoring Report V ersion 1.0, p aragraph 1 (ver.1 was adopted on 17 February 2014)
GL TPE ver.2, para1	Joint Crediting Mechanism G uidelines for D esignation as a T hird- P arty E ntity V ersion 2.0, p aragraph 1 (ver.2 was adopted on 29 March 2015)
GL VV ver.1, para1	Joint Crediting Mechanism G uidelines for V alidation and V erification V ersion 1.0, p aragraph 1 (ver.1 was adopted on 17 February 2014)
RoP ver.3, para1	Joint Crediting Mechanism R ules of P rocedures for the Joint Committee V ersion 3.0, p aragraph 1 (ver.3 was adopted on 29 March 2015)
Chap. 1	Chapter of this document
Anx stands for Annex , Apx for Appendix , Att for Attachment , and Ann for Annotation .	



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