

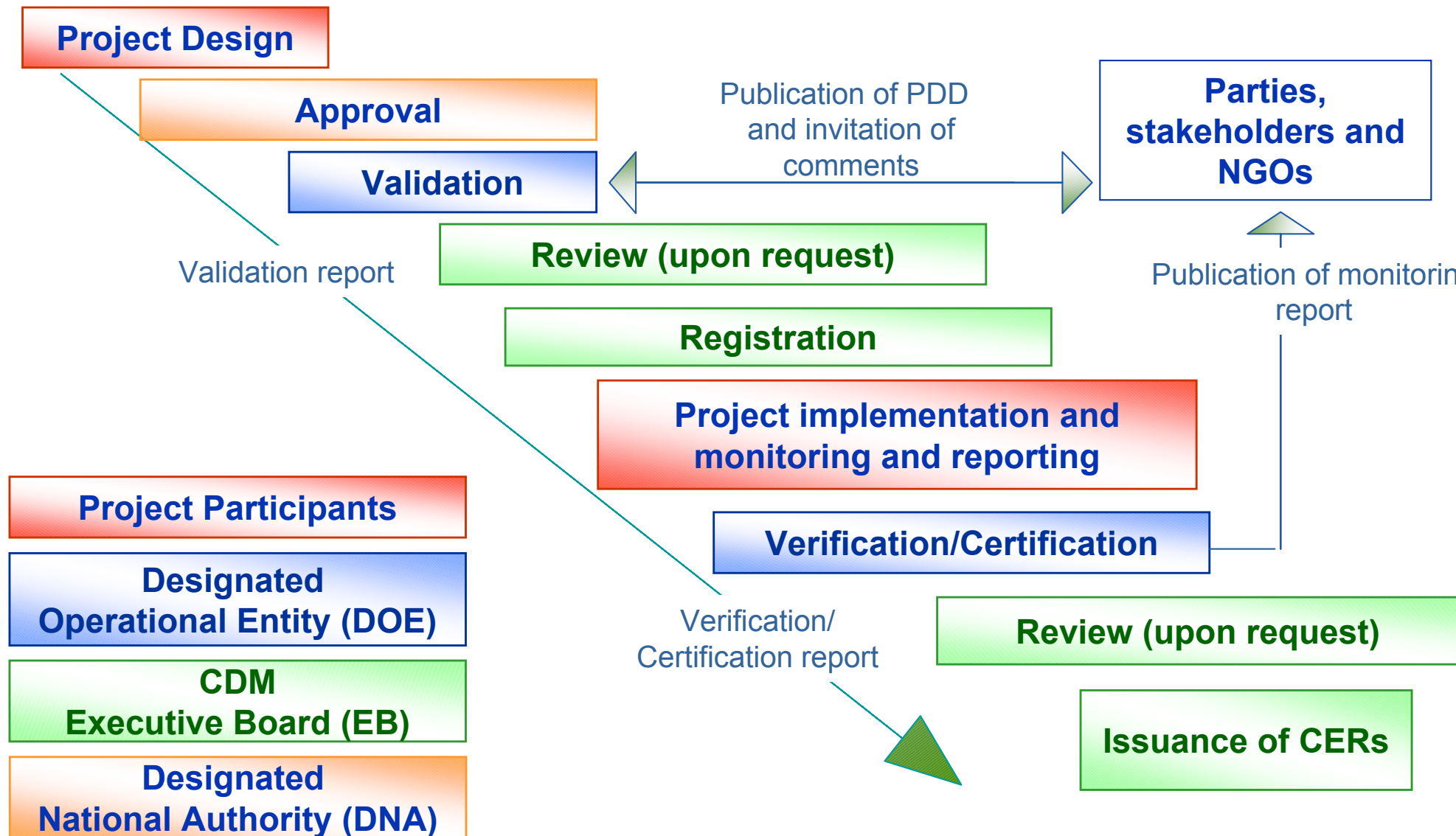
# Validation & Verification / Certification

SB 24 Side Event: “The CDM project cycle:  
from a project idea to the market”

Michael Lehmann  
24 May 2006

- Validation process
- Verification & certification process
- Validation experiences and challenges

# The Stages of a CDM Project



# Designated Operational Entities

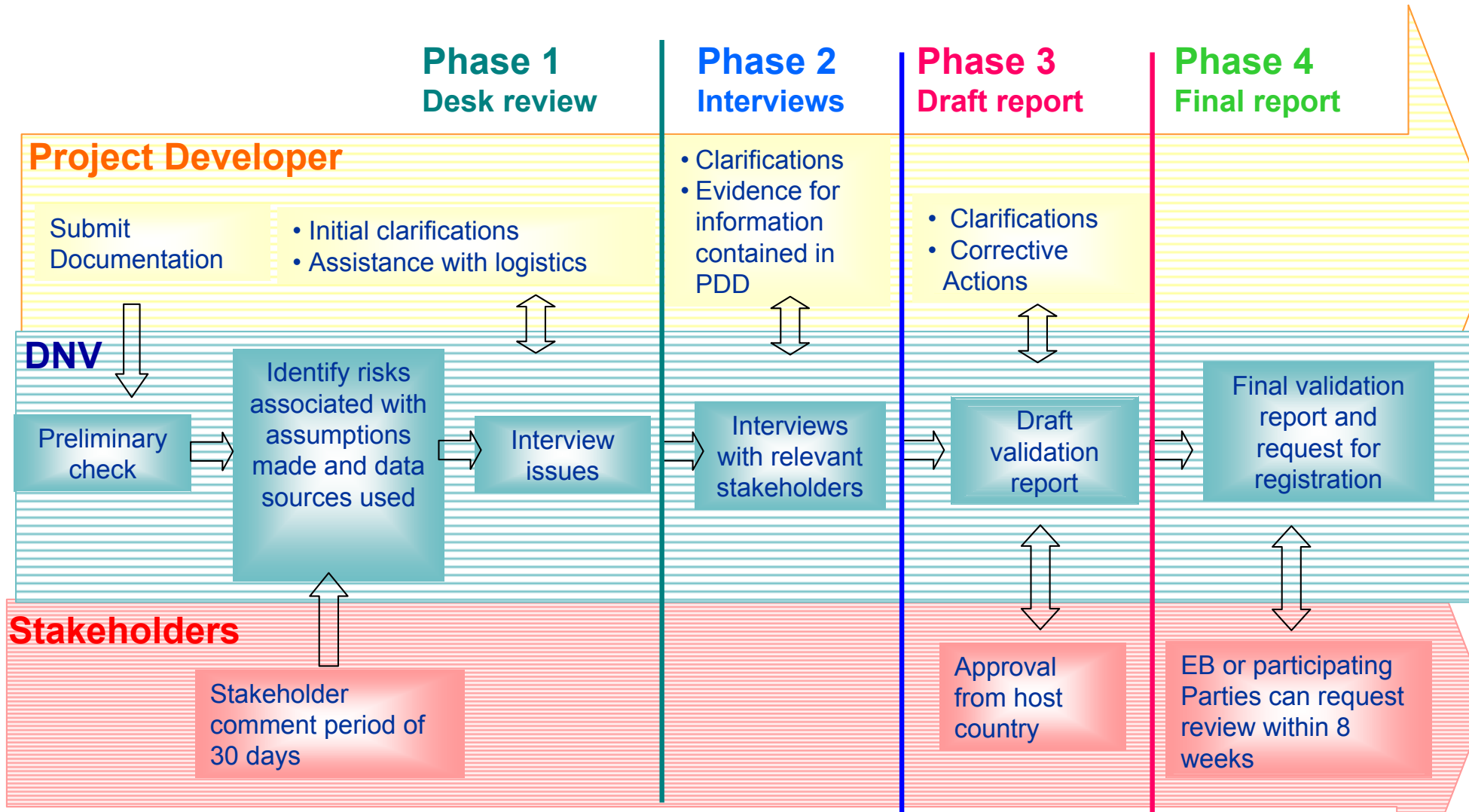
MANAGING RISK

<b>Name</b>	<b>Validation</b>	<b>Verification</b>
Japan Quality Assurance Organization (JQA)	1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13	
JACO CDM.,LTD (JACO)	1, 2, 3	
Det Norske Veritas Certification Ltd. (DNVcert)	1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15	1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 15
TUV Industrie Service GmbH TUV SUD GRUPPE (TUV Industrie Service GmbH TUV)	1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15	1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 15
Tohatsu Evaluation and Certification Organization Co., Ltd. (TECO)	1, 2, 3	
Japan Consulting Institute (JCI)	1, 2, 13	
Bureau Veritas Quality International Holding S.A. (BVQI Holding S.A.)	1, 2, 3	1, 2, 3
SGS United Kingdom Ltd. (SGS)	1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 15	1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 15
The Korea Energy Management Corporation (KEMCO)	1	
TÜV Industrie Service GmbH, TÜV Rheinland Group (TÜV Rheinland)	1, 2, 3, 13	
KPMG Sustainability B.V. (KPMG)	1, 2, 3	
British Standards Institution (BSI)	1, 2, 3	
Spanish Association for Standardisation and Certification (AENOR)	1, 2, 3	1, 2, 3
TÜV NORD CERT GmbH (RWTUV)	1, 2, 3	
Korean Foundation for Quality (KFQ)	1, 2, 3	
PricewaterhouseCoopers - South Africa (PwC)	1, 2, 3	

- Validation is an independent evaluation of a project activity by a designated operational entity (DOE) against the requirements of the CDM, on the basis of the project design document (PDD)
  - Kyoto Protocol criteria
  - Modalities and procedures for a clean development mechanism (Marrakech Accords)
  - Approved baseline and monitoring methodology
  - Host country criteria
  - (Annex I sponsor country criteria)
- A request for registration of a proposed CDM project activity will be considered valid after 8 weeks (4 weeks for small-scale projects) if no request for review was made by one of the participating Parties or at least three members of the CDM Executive Board

- Completeness of the submitted project design document (PDD)
- Soundness of the selected baseline scenario
- Justification of the additionality of the project
- Completeness and appropriateness of the monitoring plan
- Operational management and technical/engineering practices as well as quality assurance procedures to be applied by project operators
- Methodology and assumptions made to estimate the emission reductions produced over the project's selected crediting time
- Assessment of social and environmental impacts of the project
- Consultation process with local stakeholders

# Validation Process



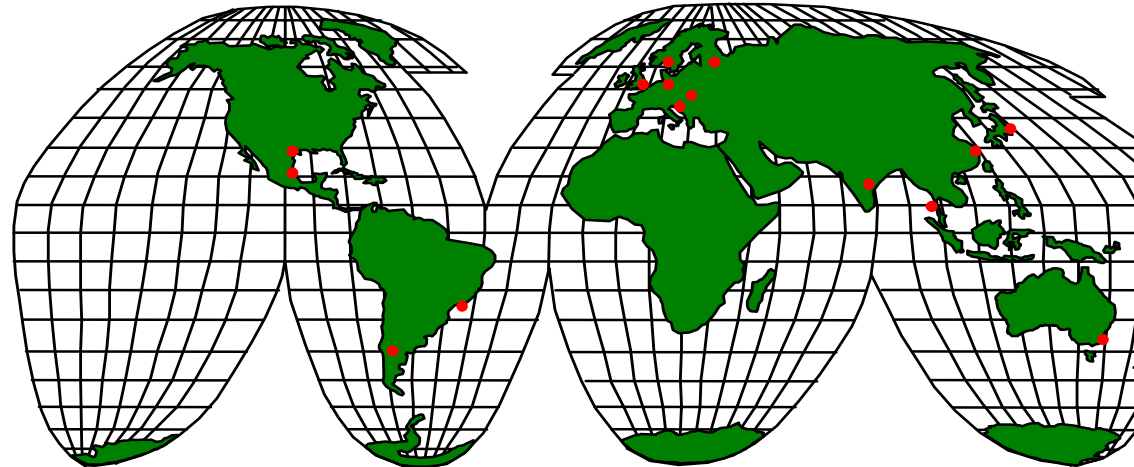
- **Verification** is the periodic independent review and ex-post determination by the DOE of the reported emission reductions during a selected period of time
  - To ensure that the project has been implemented as planned
  - To verify that actual monitoring systems and procedures are in compliance with the monitoring systems and procedures described in the monitoring plan
  - To establish that an audit trail of project performance records is present and sustains the claimed emission reductions
- **Certification** is the written assurance by a DOE that, during a specific period of time, a project activity achieved the reported emission reductions
- Request to issue Certified Emission Reductions (CERs) will be considered final 15 days after the request is made unless a request for review is made by one of the participating Parties or at least three members of the CDM Executive Board



- Applicability of baseline and monitoring methodologies
  - ✓ Requests for clarification on approved methodologies
  - ✓ Requests for revisions of approved methodologies
  - ✓ Request for deviations
  - ✓ Reviews by the EB
- Additionality has been and is still an issue in many validations
  - ✓ Additionality tool provided by EB has introduced a workable tool for assessing additionality

- Harmonisations among DOEs to ensure consistency and high quality of validation and verification/certification process
  - ✓ Validation and Verification Manual
  - ✓ DOE Forum whose chair interacts with EB
  - ✓ Registration and Issuance Team (RIT)

- DNV is a global provider of services for managing risks. Established in 1864, DNV is an independent foundation with the objective of safeguarding life, property, and the environment. DNV comprises 300 offices in 100 countries with 6 100 employees.
- DNV is accredited for validation and verification of CDM projects belonging to sectoral scopes 1-7, 10-13 and 15.
- DNV certified the first CERs under the CDM.
- DNV was elected "Best verifier for climate change projects" in surveys carried out by Environmental Finance in 2004 and 2005.



[www.dnv.com](http://www.dnv.com)

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