

COP 18: DIA SIDE EVENT

HOW TO ENSURE TRANSFER OF EXPERIENCE TO NEW FLEXIBLE MECHANISMS

Friday 30th November

Doha - QNCC

WHEN YOU NEED TO BE SURE



TO CONSIDER...

- challenges arising from the development of new mechanisms
- bridging the gap between now and then
- future accreditation patterns
- risk management



ABOUT US

- World's leading inspection, verification, testing and certification company
- Experts at:
 - Providing competitive advantage
 - Driving sustainability
 - Delivering trust
- 70,000+ employees, including:
 - Scientists, engineers, doctors, chemists, auditors and inspectors
- 1,200 offices and laboratories globally

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**Industrial
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**Minerals
Services**



**Oil, Gas &
Chemicals
Services**



**Systems and
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We do not engage in design or manufacture, trading or other activities which might compromise our independent status.

CHALLENGES ARISING FROM NEW MECHANISMS

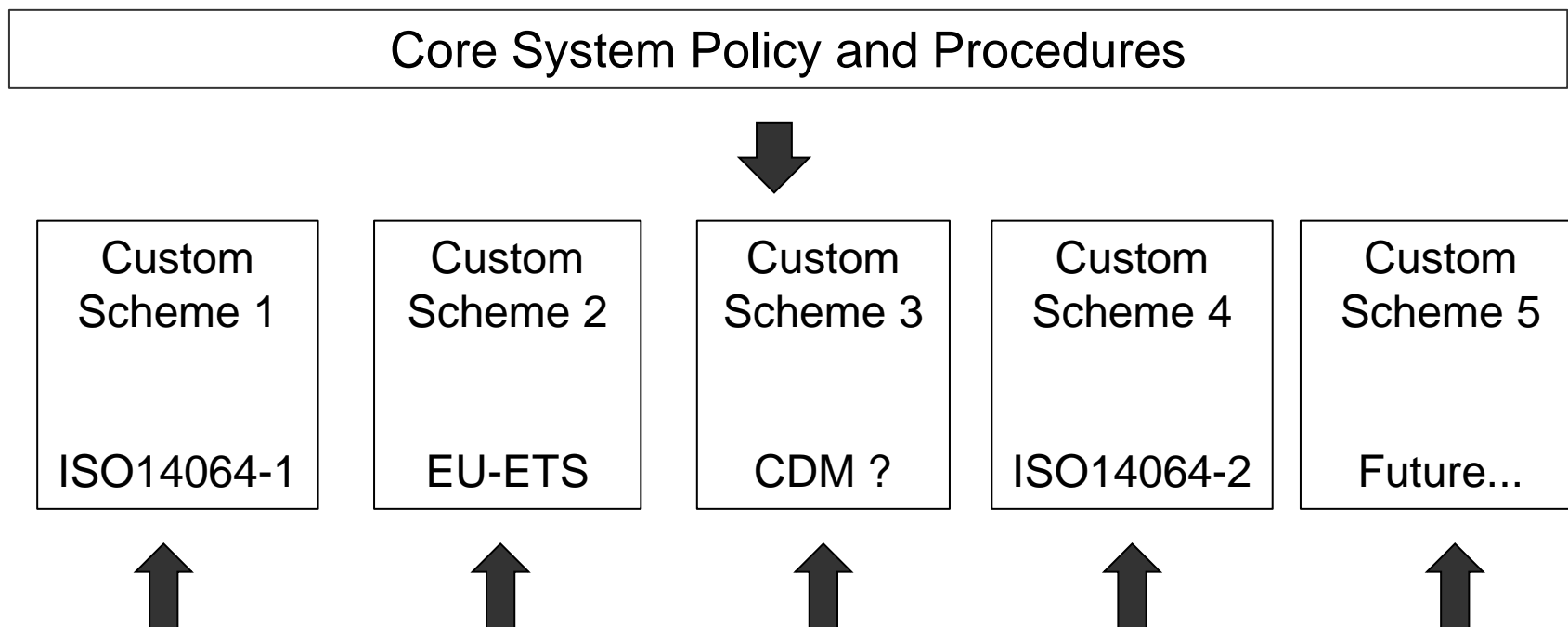
- diverse schemes with unclear accreditation requirements
 - multiple approvals
 - diverse requirements
 - inconsistent auditor qualification criteria
- resulting high overheads leading to increased cost for participants and reduced competition
- opening up new geographies
- maintaining capacity and capability during the “fallow” period

- 2013 volumes currently difficult to predict and likely to be highly volatile
- maintaining DOE status extremely expensive
- the CDM accreditation process has exposed DOEs to high-level of reputational risk
- will volumes cover overheads? If not, how long can this status be maintained?
- simple question: is this status necessary for the future?
 - will CDM revenues recover?
 - is DOE status a “ticket to the game”
- moving to ISO14065 may help to address this

- China domestic trading
 - submitted DOE registration to qualify for consideration but it does not currently appear that maintaining this status will be a requirement should we be approved
- India PAT
 - DOE status not formally taken into consideration in continuing oversight process
- Japanese BOCM
 - initially appear DOE status would be required but this does not now appear to be the case in practice
- Bi-lateral NAMAs ?

- almost impossible to envisage a future in which the EB continue to take such a hands-on approach to approving every project and every initiative
- the 14065 approach will allow development of core, common systems under mutually-recognised national accreditation schemes
- specific schemes then take their place within this structure under their own rules/approvals – 14064 Parts 1 and 2, VCS, new mechanisms, even CDM itself
- will also prevent an “all or nothing” situation and should open up competition on an equal basis rather than restricting access to those involved in CDM
- also prevents knock-on impacts to other schemes from disputes between CDM authorities and DOEs

National Accreditation – Mutual Recognition



Individual scheme approval by body approved by scheme owner (may be national accreditation body, may be Secretariat, etc)

Whether in respect of existing or new market mechanisms:

DOEs cannot carry all liabilities

- law of unintended consequence
- promotes overly conservative responses
- undermines development of services in LDCs
- adds huge levels of costs and creates uneven playing field

If new mechanisms are to be developed at scale, there has to be a model for addressing deficiencies which:

- does not negatively impact DOE pricing, raising further barriers to new projects
- caps liability
- recognises in proportion the role of all parties in preserving integrity of the CER
- is legally enforceable