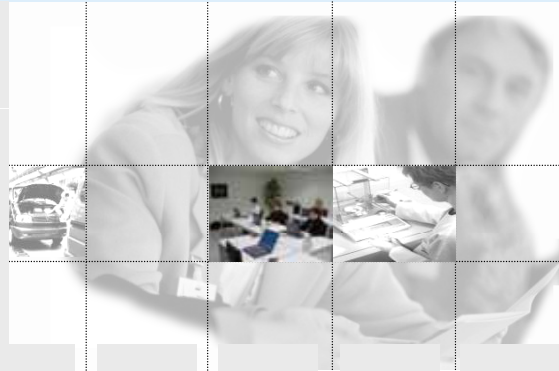


Validation and Verification – DOE's Perspective

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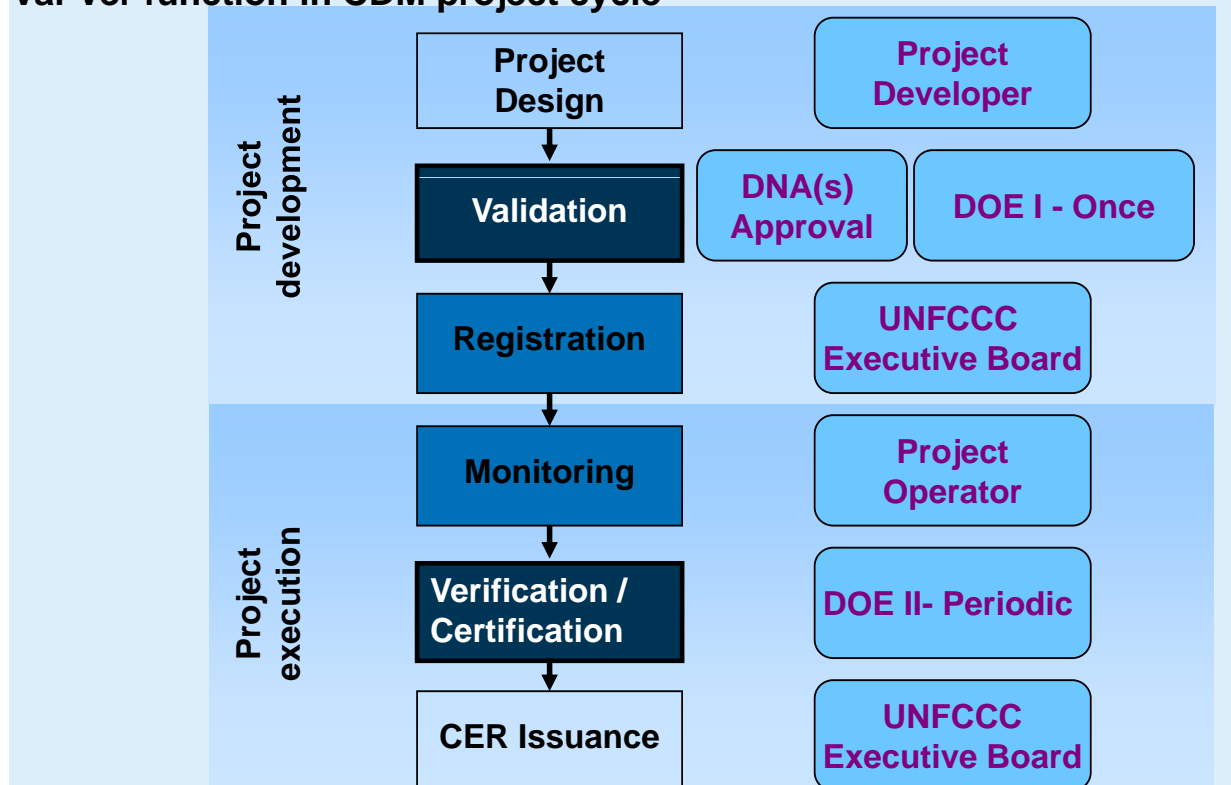
Advice for successful registration and issuance



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Val-Ver function in CDM project cycle



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Key functions of DOE (TUV Rheinland)

- TUV Rheinland is one of the Designated Operational Entities (DOEs) which serves as a third-party certification agency for carrying out validation and verification (incl certification) of CDM projects.
- TUV Rheinland is accredited by UNFCCC for sectoral scopes 1-15 .
(visit: <http://cdm.unfccc.int/DOE/scopes.html>)
- Operates as per Accreditation Standard of CDM Executive Board (CDM EB).
- Perform Validation and Verification functions as per CDM Validation Verification Manual (VVM) and other CDM rules.



Specific functions as a DOE

- New Methodology review and submission.
- Validation of CDMable projects.
- Verification of Monitoring Reports for CDM projects.
- Certification report to CDM EB for issuance of CERs.
- Deviation of Methodology (before registration)
- Project design change, revision/deviation of MP, change of crediting period (before issuance)



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Challenges in Validation and Verification

▪ Delays

- Understanding of the requirements
- Dynamic CDM- an evolving process
- Long feedback time (by PPs) in resolution of open points
- Upgrading into new version of meth in case of resubmission (after completeness check) for registration (for expired meth version).
- Backlog in CDM EB pipeline

▪ Capacity

- Lack of trained personnel
- No accredited training or qualification courses available
- Stricter competency requirements by CDM EB
- Fluctuation of manpower



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Issues in Validation

▪ Baseline manipulation

- Project developers try to squeeze their project into an existing Approved Methodology (AM) that may not fit for their project.
- Baseline scenario's are improperly described and justified to ensure additionality of the project.
- Baseline emissions are overestimated.

▪ Poor quality documentation

- Incompletely filled PDD
- Self contradictions, English (editorial + grammatical) mistakes within PDD
- Incorrect technical specifications of project equipment and technology description.
- Missing references
- Claims not fully justified, sources and discussions not explicitly presented



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Typical issues around additionality -1

- Lack of credible evidence supporting CDM incentive was seriously considered in decision making process.
- Long gap in between investment decision date - project start date - validation start date is questionable.
- Incorrect understanding and interpretation of EB guidance and decisions.
- Lack on knowledge on financial management, accounting principles.
- Failure to keep abreast with latest rulings and judgments on various issues concerning finance



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Typical issues around additionality-2

- Inconsistencies in spreadsheets and PDD figures.
- Correcting the basic input parameters after the CARs/CLs have been raised to make the project additional.
- Barrier for baseline alternatives is argued for project activity.
- Failing of common practice analysis and passing of investment analysis make the project non-additional.



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Typical issues around Monitoring Plan

- Most of the time, missing the meth requirements and the requirements of “.. Guidelines for Completing the PDD..”.
- Missing details of monitoring information complying Monitoring Methodology.
- Calibration and cross checking mechanisms are often ambiguous.
- Data management and storage is also not properly defined



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Issues in verification-1

- Desk study:
 - Incomplete Monitoring Reports.
 - Changes to the crediting period.
 - Changes in the project design (project implementation against project design in the PDD).
 - No justification for over delivery of CERs.
 - Outstanding issues of validation and closer of FARs are not addressed in the monitoring report.
 - Registered MP or even approved revised MP is not followed.
- On site:
 - Incomplete Monitoring Plans (monitoring parameters missing).
 - No responsibilities appointed.
 - Calculations not correct, Uncertainties not quantified, Missing data and evidence.
 - Meters not calibrated (No or delayed calibration).
 - Materiality change in information flow starting from original data capture.
 - QA/QC system not in place.



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Issues in verification-2

- On site:
 - Instruments not installed according to MP.
 - Reported operation start date (= real Emission Reductions) in MR not supported with credible evidence.
 - Recording of data is not at the frequency of MP.
 - Meter standard, calibration standard and accuracy class of employed meters are inconsistent with MR.
 - Competency of calibrating agency.
 - Missing data (how to deal with missing data, back-up system, most conservative approach)



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Advice for successful registration

- Ensure barriers to demonstrate additionality are relevant and substantiated.
- Ensure that methodology used is applicable and correctly applied:
If any doubt, seek clarification, revision and deviation through DOE.
- Ensure valid LoAs and MoCs : the project title and the name and contact details of PPs should be precisely consistent with PDD.
- Ensure MP in PDD is in accordance with methodology.
- Start date should be properly demonstrated and assessed
- Present the project in its full context (without any essay writing).
- Comments of global and local stake holder are fully taken into account in validation and PDD respectively.
- Independent evidence are more credible as an example for “first of its kind”.
- Results of cross-checking should be reported in validation report.
- Include sampling plan as per sampling guidelines (90/10 confidence/precision) in PDD , if applicable.
- Ensure the de-bundling rules for small scale project activities are followed.



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Advice for successful issuance

- Do not start with verification exercise until project is fully implemented as per the project design and MP of registered PDD.
- Ensure that monitoring plan is accordance with monitoring methodology:
If not, revision of MP through DOE.
- Ensure that monitoring has been undertaken in accordance with the MP.
- Ensure deviation got approved before requesting issuance.
- Ensure correct emission factors and default values are used.
- Results of cross-checking should be reported in verification report.



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