DRAFT

Clean Development Mechanism Validation and Verification Manual

16/07/2008

DRAFT

CONTENTS

Abbreviations

AE	applicant entity
A/R	afforestation and reforestation
CAR	corrective action request
CDM	clean development mechanism
CDM EB	CDM Executive Board
CER	certified emission reduction
CL	clarification request
CMP	Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol
CPA	CDM programme activity
DOE	designated operational entity
DNA	designated national authority
FAR	forward action request
GHG	greenhouse gas(es)
IPCC	Intergovernmental Panel on Climate Change
PoA	Programme of activities
PDD	Project Design Document
UNFCCC	United Nations Framework Convention on Climate Change

DRAFT

I. Introduction

1. The Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) at its third session[1] requested the Executive Board of the clean development mechanism (hereinafter referred to as the CDM Executive Board) "to conclude, as its highest priority, the validation and verification manual as a standard for designated operational entities" (DOEs). The CDM Executive Board, at its [forty-first] meeting, approved the clean development mechanism (CDM) validation and verification manual (hereinafter referred as the Manual) for DOEs for their validation and verification work.

2. The document provides requirements to DOEs for their validation and verification work and to promote quality and consistency in the preparation of their validations and verification reports.

3. In carrying out their validation and verification work, DOEs shall follow this Manual and shall integrate its provisions into their quality management systems.

4. In carrying out their validation and verification work, DOEs shall ensure that each project activity meets all applicable CDM requirements. The CDM requirements include the CDM modalities and procedures and subsequent decisions by the CMP and documents released by the CDM Executive Board and available on the UNFCCC CDM website (together referred to as CDM requirements).

5. Applicant entities (AEs) that apply for accreditation/designation as a Designated Operational Entity shall follow relevant provisions of this Manual when carrying out activities that are witnessed for obtaining accreditation and shall integrate its provisions into their quality management systems**.**

A. Updates to the Manual

6. Taking into consideration the evolving nature of the CDM, the CDM Executive Board at its [forty-first] meeting, requested the secretariat to ensure and maintain the applicability of this Manual by updating it as and when required. Any update of the Manual shall immediately be [approved by the chair of the CDM Executive Board and] made public via the UNFCCC CDM website and a notification shall be sent to DOEs and AEs.

II. Terms for validating and verifying information provided by project participants

1. Accurate

7. Checking for accuracy means:

(a) For quantitative data and information: minimizing bias and uncertainty in the measurement process and the processing of data;

(b) For non-quantitative information: minimizing bias in favour of a particular result.

[1] Decision 2/CMP.3, further guidance relating to the clean development mechanism.

2. Conservative

8. Information can be considered as conservative if the GHG emission reductions or removal enhancements of a project activity are not overestimated.

3. Relevant

9. Information can be considered relevant if it ensures compliance with the CDM requirements and the quantification and reporting of emission reductions achieved by a project activity. Unnecessary data and assumptions that do not have an impact on the emission reductions are not considered as relevant.

III. Principles for DOEs

10. DOEs shall apply the following principles in performing validation and verification and in preparing validation and verification reports.

1. Consistency

11. Consistency is achieved by:

(a) Applying uniform criteria to the requirements of the applicable approved methodology throughout the crediting period(s);

(b) Applying uniform criteria among project activities with similar characteristics such as a similar application of the approved methodology, use of technology, time period or region;

(c) Applying uniform criteria to expert judgements, over time and among projects.

12. The principle of consistency shall not prevent a DOE from applying the most recent decisions and guidance provided by the CDM Executive Board.

2. Transparency

13. Information in the validation and verification reports shall be presented in an open, clear, factual, neutral and coherent manner based on documentary evidence.

14. Transparency requires DOEs to:

(a) Clearly and explicitly state and document all assumptions;

(b) Clearly reference background material;

(c) Clearly identify changes made to documentation.

3. Impartiality, independence and safeguarding against conflicts of interest

15. DOEs shall remain independent of the project activity being validated or verified. They shall also remain free from bias and any real or potential conflict of interest.

16. Appendix A to the CDM modalities and procedures specifies that DOEs shall work in a credible, independent, non-discriminatory and transparent manner. The structure of the DOE shall safeguard the

impartiality of its operations. If the DOE is part of a larger organization, the DOE shall clearly define the links with other parts of the organization to demonstrate that no conflicts of interest exist. DOEs shall remain free of any commercial, financial or other processes that influence its judgement or endanger trust in its independence and integrity.[2]

17. DOEs shall base their findings and conclusions upon objective evidence and shall conduct all activities in connection with the validation and verification processes in accordance with the rules and procedures of the COP/MOP and the CDM Executive Board.

18. In their reports, DOEs shall truthfully and accurately state their validation or verification activities, findings and conclusions.

4. Confidentiality

19. In accordance with the CDM requirements, DOEs shall safeguard the confidentiality of all information obtained or created during validation or verification.[3]

IV. Additional roles of designated operational entities

20. The CDM Executive Board, has entrusted DOEs with the functions below in addition to validation and verification:

(a) Undertaking voluntary pre-assessment of new baseline and monitoring methodologies in accordance with paragraph 14 of the report of the twenty-first meeting of the CDM Executive Board;[4]

(b) Identifying and submitting requests for deviation in accordance with paragraph 66 of the report of the twenty-first meeting of the CDM Executive Board[5] (refer to see paragraphs. 233–235 below for details on requests for deviation).

21. In response to reviews of project activities associated with validation or verification requirements[6] and requests for clarification from the CDM Executive Board, DOEs shall provide the additional information requested.

V. CDM validation

A. Objective of CDM validation

22. The purpose of validation is to ensure a thorough, independent assessment of proposed project activities submitted for registration as a CDM project activity against the applicable CDM requirements.

---

[2] See paragraph 11 of the report of the thirty-first meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/033/eb33rep.pdf> and paragraph 13 of the report of the thirty-third meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/033/eb33rep.pdf> for the decision of the Board on the use of laboratories and calibration services for CDM projects by DOEs.

[3] See decision 3/CMP.1 for details. <http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=6>

[4] <http://cdm.unfccc.int/EB/021/eb21rep.pdf>

[5] <http://cdm.unfccc.int/EB/021/eb21rep.pdf>

[6] See decision 4/CMP.1 relating to procedures for review as referred to in paragraph 41 of the modalities and procedures of the clean development mechanism.

23. The DOE shall report the results of its assessment in a validation report. The DOE shall submit this validation report, along with the documents listed in paragraph 205 below, to the CDM Executive Board as part of the request for registration of a project activity as a CDM project activity.

24. The DOE shall submit a positive validation opinion only if the proposed project activity complies with all CDM requirements.

B. Validation approach

25. The CDM is a rules-based mechanism. Therefore, it shall be the DOE's responsibility to ensure that, in accordance with this Manual and CDM requirements, these rules are complied with for any project activities requesting registration as a CDM project activity.

26. The DOE shall note that the registration of a project activity as a CDM project activity is considered automatic if the DOE submits a positive validation opinion to the CDM Executive Board, unless a review is requested within the specified time limit.

27. During validation, the DOE shall assess whether the project design of the proposed CDM project activity meets the CDM requirements. For this, the DOE shall, using objective evidence, assess the completeness, conservativeness and accuracy of the assumptions and/or claims made in the project design document (PDD). The evidence used in this assessment shall not be limited to that provided by the project participants.

28. In assessing evidence, the DOE shall not omit evidence that is likely to alter the validation opinion. In the assessment of evidence, the DOE shall use the following two acceptable approaches:

(a) For the criteria specified in chapter V, section E below, the DOE shall ensure that the project activity fully complies with the relevant requirements set out in the CDM modalities and procedures, the applicability conditions of the selected methodology and guidance issued by the CDM Executive Board before submitting a request for registration. chapter V, section E also contains the expectations of the CDM Executive Board on the assessment of these criteria and the type of evidence that the DOE shall assess;

(b) For the assessment of quantitative data used by the project participants to estimate the emission reductions likely to result from the project activity, the DOE may apply a risk-based approach. Further description of the risk-based approach is contained in paragraphs 153–162 below in the chapter on verification.

29. In carrying out its validation work, the DOE shall ensure that the project activity complies with the requirements of paragraph 37 of the CDM modalities and procedures.

C. Validation methods

1. Means of validation

30. The DOE shall apply standard auditing techniques to assess the correctness of the information provided by the project participants, including but not limited to:

(a) Document review, involving:

(i) Review of data and information to verify the correctness, credibility and interpretation of presented information;

(ii) Cross checks between information provided in the PDD and, if comparable information is available from sources other than that used in the PDD, information from those other sources and independent background investigations;

(b) Follow-up actions (e.g., on site visit and telephone or email interviews), involving:

(i) Interviews with relevant stakeholders in the host country, personnel responsible for project design and implementation;

(ii) Cross-check of information provided by interviewed personnel (i.e. by checking sources or other interviews) to ensure that no relevant information has been omitted from the validation;

(c) Comparison of the project activity with projects or technologies with similar or comparable characteristics;

(d) Review of the correctness of formulae and calculations based on the approved methodology;

2. Means of validation for afforestation and reforestation clean development mechanism project activities

31. In validating proposed afforestation and reforestation (A/R) CDM project activities, the DOE shall apply the same standard auditing techniques as listed in paragraph 30 above. In addition, the DOE may use the following specific data sources and analysis:

(a) Data from the national forest inventory of the host Party (as applicable to the project area);

(b) Standard statistical methods used in forest inventories;

(c) Growth models or yields tables;

(d) Aerial photography, satellite images and maps;

(e) Global positioning system data;

(f) Historical changes in land use or land cover;

(g) Standard forest inventory stratification and sampling approaches;

(h) The *Good Practice Guidance for Land Use, Land-Use Change and Forestry* of the Intergovernmental Panel on Climate Change (IPCC);

(i) The forest regulatory framework and land-use policies of the host Party (as applicable to the project area).

3. Clarification requests, corrective action requests and forward action requests

32. If, during the validation of a project activity, the DOE identifies issues that need to be further elaborated upon, researched or added to in order to confirm that the project activity meets the CDM requirements and can achieve credible emission reductions, the DOE shall ensure that these issues are transparently identified, discussed and concluded in the validation report.

33. The DOE shall raise a CAR if one of the following occurs:

(a) The project participants have made mistakes that will directly influence the ability of the project activity to achieve real, measurable additional emission reductions;

(b) The CDM requirements have not been met;

(c) There is a risk that emission reductions cannot be monitored or calculated.

34. The DOE shall raise a clarification request (CL) if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.

35. The DOE shall raise a forward action request (FAR) during validation to highlight issues related to project implementation that require review during the first verification of the project activity. FARs shall not relate to the CDM requirements for registration.

36. The DOE shall resolve or "close out" CARs and CLs only if the project participants modify the project design, rectify the PDD or provide adequate additional explanations or evidence that satisfy the DOE's concerns. If this is not done, the DOE shall not recommend the project activity for registration to the CDM Executive Board.

37. The DOE shall report on all CARs, CLs and FARs in its validation report. This reporting shall be undertaken in a transparent manner that allows the reader to understand the nature of the issue raised, the nature of the responses provided by the project participants, the means of validation of such responses and clear reference to any resulting changes in the PDD or supporting annexes.

D. Stakeholder consultation process

38. The DOE shall make the PDD of the project activity under consideration publicly available in accordance with "Procedures For Processing And Reporting On Validation Of CDM Project Activities (Version 01)."[7]

39. During the validation of the project activity, the DOE shall take into account the comments received and the validation report shall demonstrate how the DOE took due account of the comments during the validation process.

40. If comments are not sufficiently substantiated or indicate that the project activity does not comply with the CDM requirements, then the DOE shall request further clarification. However, the DOE is not required to enter into a dialogue with Parties, stakeholders or NGOs that comment on the CDM requirements. If no additional information or substantiation is provided in response to a request for clarification, the DOE shall proceed to assess the comments as originally provided.

[7] <http://cdm.unfccc.int/Reference/Procedures/reg_proc05_v01.pdf>

E. Validation requirements based on paragraph 37 of the CDM modalities and procedures

1. Approval

(i) Requirement to be validated

41. All Parties involved have approved the project activity.

(ii) Means of validation

42. The DOE shall determine whether each Party indicated as being involved in the project activity in section A.3 of the PDD has provided a written letter of approval. The DOE shall determine whether:

(a) The Party is a Party to the Kyoto Protocol;

(b) Participation is voluntary;

(c) In the case of the host Party, that the project activity contributes to the sustainable development of the country;

(d) The letter refers to the precise project activity title in the PDD being submitted for registration.

43. The DOE shall determine whether the letter(s) of approval is unconditional with respect to (a) to (c) above.

44. The DOE shall determine whether the letter(s) of approval has been issued by the respective Party's designated national authority (DNA) and if in doubt, shall verify with the DNA that the letter of approval is valid for the proposed CDM project activity under validation. A list of DNAs is available on the UNFCCC CDM website[8].

45. If the DOE doubts the authenticity of the letter of approval, the DOE shall verify with the DNA that the letter of approval is authentic.

(iii) Reporting requirements

46. The validation report shall, for each Party involved:

(a) Indicate whether a letter of approval has been received, with clearly referencing the letter itself and any supporting documentation;

(b) Indicate whether the DOE received this letter from the project participants or directly from the DNA;

(c) Indicate the means of validation employed to assess the authenticity if paragraph 45 applies;

(d) Contain a clear statement regarding whether the DOE considers the letters are in accordance with paragraphs 42-45.

[8] <http://cdm.unfccc.int/index.html>.

47. If letters of approval contain additional specification of the project activity, such as the PDD version number, then the request for registration shall be made on the basis of the documents specified in the letter. If a letter of approval refers to a specific version of the validation report and the DOE therefore is unable to submit this precise version of the validation report, the DOE shall take one of the following options:

(a) Insert a statement in the validation report to indicate that the final letter of approval has not been received and that a request for registration will not be submitted until it has been received;

(b) Update the validation report to reflect the receipt of the letter of approval. If this option is chosen, validation report major number shall remain unchanged and the minor number shall be increased. The validation report shall contain confirmation that this is the only change that has been made to the version referred to in the letter of approval.

2. Participation

(i) Requirement to be validated

48. All project participants have been listed in a consistent manner in the project documentation, and their participation in the project activity has been approved by a Party to the Kyoto Protocol.

(ii) Means of validation

49. The DOE shall confirm that the project participants are listed in tabular form in section A.3 of the PDD and that this information is consistent with the contact details provided in annex 1 of the PDD. The DOE shall determine whether the participation of each project participant has been approved by at least one Party involved, either in a letter of approval or in a separate letter specifically to approve participation. The DOE shall confirm that no entities other than those approved as project participants are included in these sections of the PDD.

50. The DOE shall ensure that the approval of participation has been issued from the relevant DNA and if in doubt shall verify with the DNA that the approval of participation is valid for the proposed project participant.

(iii) Reporting requirements

51. The validation report shall, for each project participant:

(a) Indicate whether the participation has been approved by a Party to the Kyoto Protocol;

(b) Describe the means of validation employed to draw this conclusion.

3. Project design document

(i) Requirement to be validated

52. The PDD used as a basis for validation shall be prepared in accordance with the latest template and guidance from the CDM Executive Board available on the UNFCCC CDM website[9].

[9] <http://cdm.unfccc.int/Reference/PDDs_Forms/PDDs/index.html>.

(ii) Means of validation

53. The DOE shall determine whether the PDD is in accordance with the applicable CDM requirements for completing PDDs.[10]

(iii) Reporting requirements

54. The validation report shall contain a statement regarding the compliance of the PDD with relevant forms and guidance.[11]

4. Project description

(i) Requirement to be validated

55. The PDD shall contain a clear description of the project activity that provides the reader with a clear understanding of the precise nature of the project activity and the technical aspects of its implementation.

(ii) Means of validation

56. The DOE shall confirm that the description of the project activity as contained in the PDD is complete and accurate and that it provides the reader with a clear understanding of the nature of the project activity. For "greenfield"[12] project activities, the DOE shall undertake the validation by reviewing available designs and feasibility studies. In the case of pre-existing facilities, the validation [may] [shall] also include an inspection of the physical site of the project activity to confirm that the description reflects the nature of the project activity.

57. If the project activity involves the alteration of an existing installation or process, the DOE shall ensure that the project description clearly states the differences resulting from the project activity compared to the pre-project situation.

(iii) Reporting requirements

58. The validation report shall:

(a) Describe the process undertaken to validate the accuracy and completeness of the project description;

(b) Contain the DOE's opinion on the accuracy and completeness of the project description.

5. Baseline and monitoring methodology

(a) General requirement

59. The DOE shall ensure that the baseline and monitoring methodologies selected by the project participants comply with the methodologies previously approved by the CDM Executive Board[13].

[10] <http://cdm.unfccc.int/Reference/Guidclarif/pdd/index.html>
[11] <http://cdm.unfccc.int/Reference/Guidclarif/pdd/index.html>
[12] A brand new installation of equipment without integration with existing systems
[13] If the DOE determines that project participants intend to use a new baseline and monitoring methodology, it shall, before submitting a request for registration of the project activity, forward the proposed methodology, together with

60. To ensure that the project activity meets this general requirement, the DOE shall determine whether:

(a) The selected methodology is applicable to the project activity;

(b) The selected methodology had been correctly applied.

61. The DOE shall ensure that the selected methodology applies to the project activity and has been correctly applied with respect to following:

(a) Project boundary;

(b) Baseline identification;

(c) Algorithms and/or formulae used to determine emission reductions;

(d) Additionality;[14]

(e) Monitoring methodology.[15]

(b) Applicability of the selected methodology to the project activity

(i) Requirement to be validated

62. If project participants use a baseline and monitoring methodology previously approved by the CDM Executive Board, the DOE shall validate that the selected methodology applies to the project activity.[16]

(ii) Means of validation

63. If project participants use a baseline and monitoring methodology previously approved by the CDM Executive Board, the DOE shall determine whether the methodology is correctly quoted and applied by comparing it with the actual text of the applicable version of the methodology available on the UNFCCC CDM website.

64. A selected approved methodology applies to the project activity if the applicability conditions of the methodology are met and the project activity is not expected to result in emissions other than those allowed by the methodology. The DOE shall determine whether the choice of methodology is justified and the project participants have shown that the project activity meets each of the applicability conditions of the approved methodology or any tool or other methodology component referred to therein.

---

the draft PDD, to the CDM Executive Board for review, in accordance with the latest procedure for submitting and considering proposed new methodologies <http://cdm.unfccc.int/Reference/Procedures/meth_proc02_v13.pdf>.

[14] chapter V, sections E 7 below

[15] chapter V, sections E 8 below

[16] In accordance with the procedures for the revision of an approved baseline or monitoring methodology by the Executive Board (http://cdm.unfccc.int/Reference/Procedures/index.html), any revision to an approved methodology or a tool referred to in a methodology shall only be applicable to project activities registered after the revision and shall not affect (1) registered CDM project activities during their crediting period or (2) project activities that have been published for public comments for validation using an approved methodology or tool, so long as the project activity is submitted for registration within eight months of the effective date of the revision of the methodology

This shall be done by validating the documentation referred to in the PDD and by verifying that its content is correctly quoted and interpreted in the PDD. If the DOE, based on local and sectoral knowledge, is aware that comparable information is available from sources other than that used in the PDD, then the DOE shall cross check the PDD against the other sources to confirm that the project activity meets the applicability conditions of the methodology.

65. Even if the proposed CDM project activity meets all the applicability conditions of a methodology, the DOE shall, based on document review [and a site visit as appropriate], identify project or leakage emission sources that are not addressed by the selected methodology and are expected to contribute more than [1%] [of the overall expected average annual emissions reductions].

66. If the DOE is unsure about the applicability of the selected methodology to the project activity or has identified project or leakage emission sources that are not addressed by the selected methodology as referred to in paragraph 65, then the DOE shall request clarification of, revision to or deviation from the methodology in accordance with the clarification provided by the CDM Executive Board.[17]

67. If the DOE has requested clarification of, revision to or deviation from a methodology, the DOE shall not submit a request for registration until the CDM Executive Board has approved the proposed deviation or revision. Under no circumstance shall the DOE consider the submission of a request for registration as a means of seeking clarification from the CDM Executive Board on the applicability of a methodology.

(iii) Reporting requirements

68. For each applicability condition listed in the approved methodology selected, the DOE shall clearly describe in the validation report the steps taken to assess the relevant information contained in the PDD against these criteria. The validation report shall include an unambiguous validation opinion regarding the applicability of the selected methodology to the proposed CDM project activity.

(c) Project boundary

(i) Requirement to be validated

69. The PDD shall correctly describe the project boundary, including the physical delineation of the project activity included within the project boundary for the purpose of calculating project and baseline emissions for the project activity.

(ii) Means of validation

70. Based on documented evidence and corroborated by a site visit [if appropriate], the DOE shall determine whether the delineation in the PDD of the project boundary is correct and meets the requirements of the selected baseline methodology. The DOE also shall confirm that all sources and GHGs required by the methodology have been included within the project boundary. If the methodology allows project participants to choose whether a source or gas is to be included within the project boundary, the DOE shall determine whether the project participants have justified that choice. The DOE shall confirm that the justification provided is reasonable, based on assessment of supporting documented evidence provided by the project participants and corroborated by observations if required.

[17] http://cdm.unfccc.int/EB/031/eb31_repan12.pdf and http://cdm.unfccc.int/EB/027/eb27_repan10.pdf.

(iii) Reporting requirements

71. In the validation report, the DOE shall describe how the validation of the project boundary has been performed, either by detailing the documentation assessed (e.g., a commissioning report) [and] [or] by describing its observations during a site visit (i.e., observations of the physical site or equipment used in the process). The DOE shall provide a statement whether the identified boundary and the selected sources and gases are justified for the project activity. Should the DOE identify emission sources that will be affected by the project activity and are not addressed by the selected approved methodology, the DOE shall request clarification of, revision to or deviation from the methodology, as appropriate, as described in paragraph 66 above.

(d) Baseline identification

(i) Requirement to be validated

72. The PDD shall identify the baseline for the project activity, defined as the scenario that reasonably represents the anthropogenic emissions by sources of GHGs that would occur in the absence of the project activity.

(ii) Means of validation

73. The selected methodology will contain a procedure to identify the most reasonable baseline scenario. The DOE shall determine whether this procedure has been applied correctly and documented in the PDD. If the selected methodology requires use of tools (such as the "Tool for the demonstration and assessment of additionality" and the "Combined tool to identify the baseline scenario and demonstrate additionality") to establish the baseline scenario, the DOE shall consult the methodology for further guidance on the application of these tools. In such cases, the guidance in the methodology shall supersede the tool. The DOE shall check each step in the procedure described in the PDD against the requirements of the methodology.

74. If the methodology requires several alternative scenarios to be considered in the identification of the most reasonable baseline scenario, the DOE shall, based on financial expertise and local and sectoral knowledge, determine whether all scenarios that are considered by the project participants and are supplementary to those required by the methodology, are reasonable in the context of the project activity and that no reasonable alternative scenario has been excluded.

75. The DOE shall determine whether the baseline scenario identified is reasonable by validating the assumptions, calculations and rationales used, as described in the PDD. It shall ensure that documents and sources referred to in the PDD are correctly quoted and conservatively interpreted. The DOE shall cross check the information provided in the PDD with other verifiable and credible sources, such as local expert opinion, if available.

76. The DOE shall determine whether all applicable CDM requirements have been taken into account in the identification of the baseline scenario for the project activity, including "relevant national and/or sectoral policies and circumstances."[18] Drawing on its knowledge of the sector and/or advice from local experts, the DOE shall confirm that all relevant policies and circumstances have been

[18] See paragraph 45 CDM M&P; annex 3 to the report of the twenty-second meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/031/eb31_repan3.pdf>.

identified and correctly considered in the PDD, in accordance with the guidance by the CDM Executive Board.

77. The DOE shall determine whether the PDD provides a verifiable description of the identified baseline scenario, including a description of the technology that would be employed and/or the activities that would take place in the absence of the project activity.

(iii) Reporting requirements

78. The DOE shall clearly describe in the validation report the steps taken to assess the requirement given in paragraph 72 above and shall provide an opinion as to whether:

(a) All the assumptions and data used by the project participants are listed in the PDD, including their references and sources;

(b) All documentation used is relevant for establishing the baseline scenario and correctly quoted and conservatively interpreted in the PDD;

(c) Assumptions and data used in the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable;

(d) Relevant national and/or sectoral policies and circumstances are considered and listed in the PDD;

(e) The approved baseline methodology has been correctly applied to identify the most reasonable baseline scenario and the identified baseline scenario reasonably represents what would occur in the absence of the project activity.

79. The validation report shall clearly describe other steps taken and credible sources used by the DOE to cross check the information contained in the PDD on this matter.

(e) Algorithms and/or formulae used to determine emission reductions

(i) Requirement to be validated

80. The steps taken and equations applied to calculate project emissions, baseline emissions, leakage and emission reductions shall comply with the requirements of the selected baseline and monitoring methodology.

(ii) Means of validation

81. The DOE shall determine whether the equations and parameters in the PDD have been correctly applied by comparing them to those in the selected approved methodology. If the methodology allows for selecting between different options for equations or parameters, the DOE shall confirm that adequate justification has been provided (based on the choice of the baseline scenario, context of the proposed CDM project activity and other evidence provided) and that the correct equations and parameters have been used, in accordance with the methodology selected.

82. The DOE shall verify the justification given in the PDD for the choice of data and parameters used in the equations. If data and parameters will not be monitored throughout the crediting period of the project activity but have already been determined and will remain fixed throughout the crediting period,

the DOE shall assess all data sources, assumptions and calculations in order to confirm that they are correct, are applicable to the proposed CDM project activity and will add to a conservative estimate of the emission reductions. If data and parameters will be monitored on implementation and hence become available only after validation of the project activity, the DOE shall confirm that the estimates provided in the PDD for these data and parameters are reasonable.

(iii) Reporting requirements

83. The DOE shall clearly describe in the validation report the steps taken to assess the requirement outlined in paragraph 80 above and shall provide an opinion as to whether:

(a) All assumptions and data used by the project participants are listed in the PDD, including their references and sources;

(b) All documentation used by project participants as the basis for assumptions and source of data is correctly quoted and conservatively interpreted in the PDD;

(c) All values used in the PDD are considered reasonable in the context of the proposed CDM project activity;

(d) The baseline methodology has been applied correctly to calculate project emissions, baseline emissions, leakage and emission reductions;

(e) All estimates of the baseline emissions can be replicated using the data and parameter values provided in the PDD.

84. The validation report shall clearly describe how the DOE has verified the data and parameters used in the equations, including references to any other data sources used.

6. Methodology-related issues for afforestation or reforestation project activities under the clean development mechanism

(i) Requirement to be validated

85. The DOE shall validate that the baseline and monitoring methodology selected by project participants for an A/R project activity comply with one of the following requirements :

(a) Methodologies previously approved by the CDM Executive Board;

(b) Modalities and procedures for establishing a new methodology.

86. To ensure that the A/R project activity meets this requirement, the DOE shall determine whether:

(a) The selected baseline and monitoring methodology is applicable to the project activity;

(b) The selected methodology is correctly applied.

(ii) Means of validation

87. The DOE shall determine whether the A/R project activity meets the requirements for the application of baseline and monitoring methodologies as defined in the modalities and procedures for

A/R project activities[19] and that the project activity is not expected to diminish carbon stocks in carbon pools more than would have happened in the baseline scenario that are not covered by the methodology. To the extent defined in modalities and procedures for A/R project activities and relevant guidance by the CDM Executive Board, these requirements are similar to the requirements for non-A/R projects. Therefore the guidance provided in chapter V, section E above also applies to the validation of A/R project activities. In addition, the DOE shall confirm that the CDM requirements applicable to A/R project activities have been followed.

88. As part of the specific A/R requirements, the DOE shall verify, based on document review and a site visit [if deemed necessary], that the area of land included within the project boundary is eligible for afforestation or reforestation activity. At its thirty-eighth meeting, the CDM Executive Board clarified that in order to demonstrate the eligibility of land, for large- and small-scale A/R project activities it is sufficient to follow the most recent version of the "Procedures to demonstrate the eligibility of land for A/R CDM project activities".[20] The Board further clarified that when the A/R CDM definition of "forest" is applied to stands with several storeys, the trees selected from any storey to satisfy the crown cover threshold (or equivalent stocking level) shall also be trees that have the potential to reach the height threshold at maturity in situ, if the crown cover and height thresholds referred to are those selected by the host Party and reported through its DNA to the CDM Executive Board.

89. The DOE shall determine whether the project boundary given in the PDD geographically delineates the A/R project activity under the control of the project participants. If the project activity involves more than one discrete area of land, the DOE may do so through sampling.

90. The DOE shall determine whether the PDD selects the carbon pools (above-ground biomass, below-ground biomass, dead wood, litter and soil organic carbon) to be considered in the A/R project activity according to the requirements of the selected approved methodology. If the approved methodology allows for the option to include or exclude certain pools and/or emissions, the DOE shall confirm that verifiable information has been provided to justify the selection and that the choice will not increase the expected net GHG removals by sinks. For this, the DOE shall ensure that documents and sources referred to in the PDD are correctly quoted and conservatively interpreted. If relevant, the DOE shall cross check the information provided in the PDD with other published sources or local experts.

91. For project activities that have both A/R and non-A/R components, the DOE shall take into account the clarification by the CDM Executive Board[21] that in order to avoid double counting of emission sources, the emissions associated with A/R activity shall be accounted for and clearly documented of the A/R CDM project activity. In general, all project activities that use biomass for energy shall account for emissions associated with the production of biomass. However, if it can be demonstrated that such a project activity uses biomass originating from a registered A/R project activity (i.e. through a contractual agreement for the procurement of biomass), the project participants need not account for emissions associated with biomass production.

(iii) Reporting requirements

[19] Annex to Decision 5/CMP.1
[20] See paragraph 28 of the report of the meeting <http://cdm.unfccc.int/EB/038/eb38rep.pdf>.
[21] See Annex 8 of the report of the twentieth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/020/eb20repan08.pdf>

92. In addition to meeting the reporting requirements described in paragraph 98 above, the validation report shall clearly describe the steps taken to verify the information contained in the PDD on the specific requirements for A/R project activities. The report shall provide an unambiguous validation opinion as to whether the boundary of the project activity is correctly geographically delineated and whether the area(s) of land included within the project boundary are eligible for an A/R CDM project activity.

7. Additionality of a project activity

(a) General criteria validation requirements

93. A project activity is additional if anthropogenic emissions of GHGs by sources are reduced to below the level of emissions that would have occurred in the absence of the project activity. An A/R project activity is additional if the net GHG removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the project activity.

94. The DOE shall assess and verify the reliability and creditability of all data, rationales, assumptions, justifications and documentation provided by project participants to support the demonstration of additionality. This requires the DOE to critically assess the presented evidence, using local knowledge and sectoral and financial expertise.

95. The CDM Executive Board has provided tools and documents for project participants to demonstrate the additionality of project activities, as well as specific complementary or alternative requirements included in approved CDM methodology. While specific elements of the assessment of additionality are discussed in further detail in paragraphs 96–119 below, not all elements discussed below will be applicable to all project activities.

(b) Prior consideration of the clean development mechanism

(i) Requirement to be validated

96. If the project activity start date is prior to the date of publication of the PDD for stakeholder comments it shall be demonstrated that the incentives from the CDM were seriously considered in the decision to proceed with the project activity.

(ii) Means of validation

97. The DOE shall confirm that the start date of the project activity, reported in the PDD, is in accordance with the "Glossary of CDM terms"[22] If the reported date is not in accordance with the glossary, the DOE shall raise a CAR to ensure that the start date is correctly reported in a revised PDD. In particular, for project activities that require construction, retrofit or other modifications, the date of commissioning cannot be considered the project activity start date.

98. If the start date of the proposed CDM project activity is prior to the commencement of the date of publication of the PDD for stakeholder comments, the DOE shall assess whether the incentive of the CDM was seriously considered. The DOE shall confirm that the evidence to support such consideration

[22] <http://cdm.unfccc.int/Reference/Guidclarif/glos_CDM_v03.pdf>.

is adequately described in the PDD. If the PDD does not contain these details the DOE shall raise a CAR to ensure that they are included in a revision.

99. The DOE shall assess the project participant's prior consideration of the CDM through document reviews and interviews. This assessment shall be conducted in two parts.

100. Firstly, the DOE shall assess whether the CDM was considered during or prior to the decision-making process to proceed with the project activity. Specifically, the DOE shall:

(a) Review the evidence provided by the project participants on how and when the decision to proceed with the project activity was taken;

(b) Determine whether the date stated in the provided evidence is consistent with other available evidence (e.g. dates of construction, purchase orders for equipment);

(c) Determine whether the individual or body that took the decision to proceed had the authority to do so;

(d) Determine whether the CDM was considered by this individual or body in deciding to proceed with the project activity.

101. Secondly, if the DOE establishes that the CDM was considered in the decision to proceed with the project activity, it shall undertake an assessment to determine whether this consideration was serious; that is, whether the project activity would have been undertaken even without the incentive of the CDM. This assessment shall draw upon the evidence supplied to demonstrate the additionality of the project activity. If there is a significant gap between the start date of the project activity and the commencement of validation, the DOE shall query how it was possible for the project participant to commit funds to the project in advance of receiving a positive validation opinion.

(iii) Reporting requirements

102. The validation report shall:

(a) Describe the DOE's validation of the project activity start date provided in the PDD;

(b) Describe the evidence for prior consideration of the CDM (if necessary) that was assessed;

(c) Provide a clear validation opinion regarding the seriousness of this prior consideration (if necessary); that is, whether the project would have been undertaken without the incentive of the CDM.

(c) Identification of alternatives

(i) Requirement to be validated

103. The PDD shall identify credible alternatives to the project activity in order to determine the most realistic baseline scenario, unless the approved methodology that is selected by the proposed CDM project activity prescribes the baseline scenario and no further analysis is required (e.g., methodology ACM0002).

(ii) Means of validation

104. The DOE shall assess the list of alternatives given in the PDD and ensure that:

(a) The list of alternatives includes as one of the options that the project activity is undertaken without being registered as a CDM project activity.

(b) The list contains all realistic/credible alternatives that the DOE, on the basis of its local and sectoral knowledge, considers to be viable means of supplying the outputs or services that are to be supplied by the project activity;

(c) The alternatives comply with all applicable and enforced legislation.

(iii) Reporting requirements

105. The validation report shall describe whether the DOE considers the list of alternatives to be complete.

(d) Investment analysis

(i) Requirement to be validated

106. If investment analysis has been used to demonstrate the additionality of the project activity, the PDD shall provide evidence that the project activity would not be:

(a) the most economically or financially attractive alternative; or

(b) Economically or financially feasible, without the revenue from the sale of certified emission reductions (CERs).

107. Project participants can show this through one of the following approaches[23]:

(a) Demonstrate that the project activity would produce no financial or economic benefits other than CDM-related income. Document the costs associated with the CDM project activity and the alternatives identified and demonstrate that there is at least one alternative which is less costly than the project activity;

(b) The project activity is less economically or financially attractive than at least one other credible and realistic alternative;

(c) The financial returns of the project activity would be insufficient to justify the required investment.

(ii) Means of validation

108. To verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall:

(a) Conduct a thorough assessment of all parameters and assumptions used in calculating the relevant financial indicator, and determine the accuracy and suitability of these parameters using the available evidence and expertise in relevant accounting practices;

[23] It should be noted that paragraph 14 of the "Guidance on the assessment of investment analysis" (EB39, Annex 35) and the requirements of specific methodologies may preclude the use of one of these options in certain scenarios

(b) Cross-check the parameters against third-party or publicly available sources, such as invoices or price indices;

(c) Review feasibility reports, public announcements and annual financial reports related to the project activity and the project participants;

(d) Assess the correctness of computations carried out and documented by the project participants;

(e) Assess the sensitivity analysis by the project participants to determine under what conditions variations in the result would occur, and the likelihood of these conditions.

109. To confirm the suitability of any benchmark applied in the investment analysis, the DOE shall:

(a) Determine whether the type of benchmark applied is suitable for the type of financial indicator presented;

(b) Ensure that any risk premiums applied in determining the benchmark reflect the risks associated with the project type or activity[24];

(c) Determine whether it is reasonable to assume that no investment would be made at a rate of return lower than the benchmark by, for example, assessing previous investment decisions by the project participants involved and determining whether the same benchmark has been applied or if there are verifiable circumstances that have lead to a change in the benchmark.

110. If project participants use values from Feasibility Study Reports (FSR) that are approved by national authorities for proposed project activities, the DOE shall take into account the latest guidance of the CDM Executive Board[25].

111. The DOE shall comply with the latest version of the "Guidance on the Assessment of Investment Analysis" as provided by the CDM Executive Board [26].

(iii) Reporting requirements

112. The validation report shall:

(a) Describe in detail how the parameters used in any financial calculations have been validated;

(b) Describe how the suitability of any benchmark applied has been assessed.

(e) Barrier analysis

(i) Requirement to be validated

[24] The analysis shall be based on "parameters that are standard in the market, considering the specific characteristics of the project type, but not linked to the subjective profitability expectation or risk profile of a particular project developer". The specific financial/economic situation of the company undertaking the project activity can be considered only if the project participant can implement the project activity.
[25] See paragraph 54 of the report of the thirty-eighth meeting of the CDM Executive Board
[26] <http://cdm.unfccc.int/EB/039/eb39_repan35.pdf>

113. If barrier analysis has been used to demonstrate the additionality of the project activity, the PDD shall demonstrate that the proposed project activity faces barriers that:

(a) Prevent the implementation of this type of proposed project activity; and

(b) Do not prevent the implementation of at least one of the alternatives.

(ii) Means of validation

114. Barriers are issues in project implementation that could prevent a potential investor from pursuing the implementation of the project activity. The identified barriers are only sufficient grounds for demonstration of additionality if they would prevent potential project proponents from carrying out the proposed project activity undertaken without being registered as a CDM project activity. Issues that have a clear impact[27] on the financial viability of the project activity cannot be considered barriers and shall be assessed by investment analysis. This does not refer to risk related barriers, for example risk of technical failure, that could have negative effects on financial performance.

115. The DOE shall apply a three-step process to assessing the barrier analysis performed, as follows:

(a) *Determine whether the barriers listed in the PDD are issues that have a clear impact on the financial viability of the project activity.* The DOE shall assess the description of each barrier listed to determine whether this issue acts as a barrier or is an issue that has a clear impact on the financial viability of the project activity. If the DOE considers, on the basis of its sectoral or local expertise, that a barrier is an issue that has a clear impact on the financial viability of the project activity, it shall raise a CAR to have reference to this barrier removed from the project documentation;

(b) *Determine whether the barriers are real.* The DOE shall assess the available evidence and/or undertake interviews with relevant individuals (including members of industry associations, government officials or local experts if necessary) to determine whether the barriers listed in the PDD exist. The DOE shall ensure that existence of barriers is substantiated by independent sources of data such as relevant national legislation, surveys of local conditions and national or international statistics. If existence of a barrier is substantiated only by the opinions of the project participants, the DOE shall not consider this barrier to be adequately substantiated. If the DOE considers, on the basis of its sectoral or local expertise, that a barrier is not real or is not supported by sufficient evidence, it shall raise a CAR to have reference to this barrier removed from the project documentation;

(c) *Determine whether the barriers prevent the implementation of the project activity but not the implementation of the possible alternatives.* Because all real barriers do not present an insurmountable hurdle to a project activity's being implemented, the DOE shall apply its local and sectoral expertise to judge whether a barrier or set of barriers would prevent the implementation of the project activity and would not equally prevent implementation of the possible alternatives, in particular the identified baseline scenario.

(iii) Reporting requirements

[27] Defined in this context as those issues whose impacts can be expressed in monetary terms with reasonable certainty

116. The validation report shall:

(a) Provide an assessment of each barrier listed in the PDD, which describes how the DOE has undertaken validation of the barrier;

(b) Provide an overall determination of the credibility of the barrier analysis performed.

(f) Common practice analysis

(i) Requirement to be validated

117. For large-scale project activities, unless the proposed project type is first-of-its kind, common practice analysis shall be carried out as a credibility check of the other available evidence used by the project participants to demonstrate additionality. This credibility check shall confirm that the project activity is not a common practice in the region.

(ii) Means of validation

118. The DOE shall use its local and sectoral expertise to:

(a) Assess whether the geographical scope (e.g. the defined region) of the common practice analysis is appropriate for the assessment of common practice related to the project activity's technology or industry type. For certain technologies the relevant region for assessment will be local and for others it may be global. If a region other than the entire host country is chosen, the DOE shall assess the explanation why this region is more appropriate;

(b) Using official sources and local and industry expertise, determine to what extent similar and operational project activities (e.g., using similar technology or practice), other than CDM activities, have been undertaken in the defined region;

(c) If similar and operational project activities, other than CDM activities, are already "widely observed and commonly carried out" in the defined region, assess whether there are essential distinctions between the project activity and the other similar activities.

(iii) Reporting requirements

119. The validation report shall provide details regarding:

(a) How the geographical scope of the common practice analysis has been validated;

(b) How the DOE has undertaken an assessment of the existence of similar projects;

(c) How the DOE has assessed the essential distinctions between the project activity and any similar projects that are widely observed and commonly carried out.

8. Monitoring plan

(i) Requirement to be validated

120. In accordance with paragraph 53 of the CDM modalities and procedures, the PDD shall include a monitoring plan. This monitoring plan shall be based on the approved monitoring methodology selected for the project activity.

(ii) Means of validation

121. The DOE shall apply a two-step process to assessing compliance with this requirement, as follows:

(a) *Compliance of the monitoring plan with the approved methodology.* The DOE shall:

(i) By means of document review, identify the list of parameters required by the selected approved methodology;

(ii) Identify possible additional parameters that require monitoring, for example based on the requirements of the environmental impact assessment;

(iii) Confirm that the monitoring plan contains all necessary parameters, that they are clearly described and that the means of monitoring described in the plan complies with the requirements of the methodology;

(b) *Implementation of the plan.* The DOE shall, by means of review of the documented procedures, interviews with relevant personnel and [if applicable] physical inspection of the project activity site or project plans, assess whether:

(i) The monitoring arrangements described in the monitoring plan are feasible within the project design;

(ii) The means of implementation of the monitoring plan, including the data management and quality assurance and quality control procedures, are sufficient to ensure that the emission reductions achieved by/resulting from the project activity can be reported ex post and verified.

(iii) Reporting requirements

122. The validation report shall:

(a) State the DOE's opinion of the compliance of the monitoring plan with the requirements of the methodology;

(b) Describe the steps undertaken to assess whether the monitoring arrangements described in the monitoring plan are feasible within the project design;

(c) State the DOE's opinion of the project participants ability to implement the monitoring plan.

9. Sustainable development

(i) Requirement to be validated

123. CDM project activities shall assist Parties not included in Annex I to the Convention in achieving sustainable development.

(ii) Means of validation

124. The contribution of the project activity to the sustainable development of the host Party shall be assessed by the DNA of that Party and confirmed in its letter of approval. The DOE shall determine whether the letter contains the DNA's confirmation.

(iii) Reporting requirements

125. The validation report shall indicate whether the host Party's DNA confirmed the contribution of the project to the sustainable development of the host Party. This may be reported together with the DOE's assessment of the validity of the host Party's approval (refer to paragraphs 46 and 47 of this Manual).

10. Local stakeholder consultation

(i) Requirement to be validated

126. Local stakeholders [28]shall be invited to comment on the project activity.

(ii) Means of validation

127. The DOE shall, by means of document review [and] [and /or] interviews with local stakeholders as appropriate, determine whether:

(a) All local stakeholders[29] that can reasonably be considered relevant for the proposed CDM project activity, have been invited to comment and involved in the consultation;

(b) The summary of the comments received as provided in the PDD is complete;

(c) The project participants have taken due account of any comments received and have described this process in the PDD.

(iii) Reporting requirements

128. The validation report shall:

(a) Describe the steps taken to assess the adequacy of the local stakeholder consultation;

(b) State the DOE's opinion on the adequacy of the local stakeholder consultation.

11. Environmental impacts

(i) Requirement to be validated

129. Project participants shall submit documentation to the DOE on their analysis of the environmental impacts of the project activity. According to paragraph 37(c) of the CDM modalities and procedures, if the project participants or the host Party consider those impacts significant, project participants shall undertake an environmental impact assessment in accordance with procedures as

[28] For definition of stakeholders see glossary of CDM terms <http://cdm.unfccc.int/Reference/Guidclarif/glos_CDM_v03.pdf>

[29] See footnote 21.

required by the host Party. For A/R project activities, project participants shall also assess socio-economic impacts.

(ii) Means of validation

130. The DOE shall assess the documentation supplied by the project participants regarding environmental impacts and ensure that it is accurately reflected in the PDD. The DOE shall not repeat the environmental impact analysis but rather assess the adequacy of the process followed, taking into account the CDM requirements. The DOE shall assess, using a review of relevant legislation and its local expertise, whether an environmental impact assessment is required for the project activity. Should such an assessment be required, the DOE shall, by means of document review, ensure that it has been conducted in accordance with relevant local or host Party regulations and the outcome is accurately reflected in the PDD.

(iii) Reporting requirements

131. The validation report shall describe how the project participants have assessed the environmental impacts of the project activity and whether this assessment is in accordance with all relevant local regulations.

F. Specific validation activities

1. Background

132. Project participants may contract a DOE to undertake certain specific validation activities. For such validation activities, the DOE shall apply the general means of validation and reporting requirements described above as well as those described below.

2. Project design of small-scale clean development mechanism project activities

133. The DOE shall determine whether a proposed small-scale project activity meets the requirements of the simplified modalities and procedures for small-scale CDM project activities.[30]

134. During its validation of a small-scale project activity, the DOE shall confirm that:

(a) The project activity qualifies within the thresholds of the three possible types of small-scale project activities. It may include more than one component; for example, a type III methane recovery component activity and a type I electricity component activity[31];

(b) The project activity conforms to one of the approved small-scale categories[32] and applies the relevant tool or methodology. The DOE shall confirm that the small-scale methodologies are applied in conjunction with the general guidance to the

[30] See decision 4/CMP.1, annex II.

[31] See paragraphs 56 and 57 of the report of the twenty-eighth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/028/eb28rep.pdf> for guidance on size limits for the components.

[32] Small-scale project activities that follow the simplified modalities and procedures for small-scale CDM project activities may not apply a large-scale approved methodology. However, a project activity that is within the small-scale project activity thresholds may apply a large-scale approved methodology if it follows the modalities and procedures for large-scale project activities defined in footnote 1 above.

methodologies[33], which provides guidance on equipment capacity, equipment performance, sampling and other monitoring-related issues.

(c) The project is not a debundled component of a large-scale project, in accordance with the rules defined in appendix C of the simplified modalities and procedures for small-scale CDM project activities;[34]

(d) An analysis of the environmental impacts of the project activity is required by the host Party.

135. In assessing the additionality of small scale projects, the DOE shall refer to the specific requirements on demonstration of additionality for small scale project activities in chapter V, section E, subsection 7[35] and the "Non-binding best practice examples to demonstrate additionality for SSC project activities."[36]

3. Project design of small-scale afforestation or reforestation project activities

136. In addition to considering the criteria described in chapter V, sections B and C, above, during its validation of a small-scale A/R project activity the DOE shall determine whether:

(a) The project activity qualifies as a small-scale A/R project activity within the thresholds for the small-scale A/R projects;

(b) The project activity complies with one of the types of small-scale A/R project activities defined in appendix B of the annex to decision 6/CMP.1. It qualifies to apply a simplified baseline and monitoring methodology for this project type and the methodology has been applied correctly;

(c) The project activity is not a part of a debundled large-scale A/R project activity, in accordance with the rules defined in appendix C of the annex to decision 6/CMP.1;

(d) The project activity has been developed or implemented by low-income communities and individuals and confirmed by the host Party.

4. Programme of activities

137. The CDM Executive Board has provided guidance and procedures for registering a programme of activities (PoA) as a single project activity[37]. In validating a PoA and CPAs proposed to be included in the PoA, the DOE shall apply the means of validation and reporting requirements described in this Manual.[38]

[33] For the latest version, refer to http://cdm.unfccc.int/methodologies/SSCmethodologies/approved.html
[34] See annex 27 to the report of the thirty-sixth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/036/eb36_repan27.pdf> for a compendium of guidance on debundling.
[35] Attachment A to Appendix B of the simplified modalities and procedures for small-scale CDM project activities.
[36] <http://cdm.unfccc.int/EB/035/eb35_repan34.pdf>.
[37] <http://cdm.unfccc.int/Reference/Procedures/PoA_proc01_v02.pdf>
[38] The CDM Executive Board will update this Manual as further experience is gained in validating and registering PoAs. The Board therefore welcomes feedback from DOEs on applying the existing guidance in their initial PoA validation activities

5. Renewal of crediting period

138. When contracted to validate a project activity for a second or further crediting period, the DOE shall undertake a thorough reassessment of the validity of the original baseline scenario or any updates thereto proposed by the project participants. This assessment shall be based on the latest version of the procedures for renewing the crediting period[39], the selected approved methodology and the means of validation described in this Manual.

6. Changes to the start date of the crediting period

139. The CDM Executive Board has provided procedures for requesting post-registration changes to the start date of the crediting period[40]. If project participants wish to delay the start date of the crediting period by more than one year, the DOE shall validate the baseline scenario in accordance with chapter V, section E, subsection 5(d) of this Manual.

140. The validation report shall contain a description of the progress made in project implementation. Further, the DOE shall validate that the project participants have obtained written confirmation from the host Party that the delay will not alter the project's contribution to sustainable development.

G. Validation report

141. The validation report shall include the DOE's final validation opinion (see paragraph 144-145 below).

142. The report shall:

(a) State the DOE's conclusions regarding the project activity's conformity with applicable CDM requirements;

(b) Give an overview of the validation activities carried out by the DOE in order to arrive at the final validation conclusions and opinion, including a general discussion of details captured by the validation protocol and conclusions related to CDM requirements;

(c) Reflect the results of the dialogue between the DOE and the project participants, as well as any adjustments made to the project design following stakeholder consultation. It shall reflect the responses to CARs and CLs, and discussions on and revisions to project documentation.

143. The validation report shall provide at least the following:

(a) A summary of the validation process and its conclusions;

(b) All the DOE's "findings and conclusions, especially on: baseline selection, additionality, emission factors and monitoring";[41]

(c) Information on the global stakeholders consultation carried out by the DOE prior to submitting the project for validation, including dates and how comments received have been taken into consideration by the DOE;

[39] <http://cdm.unfccc.int/Reference/Procedures/reg_proc04_v03.pdf>
[40] <http://cdm.unfccc.int/EB/024/eb24_repan31.pdf>.
[41] <http://cdm.unfccc.int/Reference/Procedures/reg_proc05_v01.pdf>

(d) A list of interviewees and documents reviewed;

(e) Details of the validation team;

(f) Information on quality control within the team/of the validation process;

(g) Appointment certificates or curricula vitae of the team members.

H. Validation opinion

144. The DOE shall provide:

(a) a positive validation opinion in its validation report that is submitted as a request for registration; or

(b) a negative validation opinion in its validation report explaining the reason for its opinion if the DOE determines that the project activity does not to fulfil applicable CDM requirements.

145. The opinion shall include at least the following:

(c) A summary of the validation methodology and process used and the validation criteria applied;

(d) A description of project components or issues not covered by the validation process;

(e) A summary of the validation conclusions;

(f) A statement on the validation of the expected emission reductions.

(g) A statement whether the project activity meets the stated criteria.

VI. CDM Verification

A. Objective of verification

146. The purpose of verification is to provide a periodic independent review and ex-post determination by the DOE of the monitored reductions in GHG emissions that have resulted from the project activity during a defined verification period.

147. Based on the applicable CDM requirements, this assessment shall:

(a) Ensure that the project activity has been implemented and operated as per the registered PDD and that all physical features (technology, project equipment, and monitoring and metering equipment) of the project are in place;

(b) Ensure that the monitoring report and other supporting documents provided are complete and verifiable and in accordance with applicable CDM requirements;

(c) Ensure that actual monitoring systems and procedures comply with the monitoring systems and procedures described in the monitoring plan and the approved methodology;

(d) Evaluate the GHG emission reduction data recorded and stored as per the monitoring methodology and express a conclusion confirming whether the individual or the aggregation of errors, omissions and/or misrepresentations in the reported data do not affect the emission reductions achieved by the project activity by more than the threshold as defined in paragraph 160.

B. Verification approach

1. Verification of compliance

148. The DOE shall assess and verify that the implementation of the project activity and the steps taken to report emission reductions comply with the CDM criteria and relevant guidance provided by the CMP and the CDM Executive Board.

149. This assessment shall involve a review of relevant documentation [as well as an on-site assessment]. The information to be verified is described in paragraph 151 below. [Should the DOE decide that a site visit is not possible or appropriate, it shall provide a justification for its decision].

150. The DOE's verification of the project documentation provided by the project participant shall be based upon both quantitative and qualitative information on emission reductions. Quantitative information comprises the reported numbers in the monitoring report submitted to the DOE. Qualitative information comprises information on internal management controls, calculation procedures, procedures for transfer, frequency of emissions reports, and review and internal audit of calculations or data transfers.

151. In addition to the monitoring documentation provided by the project participants, the DOE shall review:

(a) The registered PDD, including the monitoring plan and the corresponding validation report;

(b) Previous verification reports, if any;

(c) The applied monitoring methodology;

(d) Relevant decisions, clarifications and guidance from the CMP and the CDM Executive Board;

(e) Any other information and references relevant to the project activity's resulting emission reductions (e.g., IPCC reports, data on electricity generation in the national grid or laboratory analysis).

152. In addition to reviewing the monitoring documentation, the DOE shall confirm that the project participants have addressed FARs identified during validation.

2. Verification of data

153. For the verification of quantitative data collected by the project participants and used for reporting the emission reductions, the DOE may use sampling as an approach for assessing evidence provided by the project participants.

154. If the DOE uses sampling, it shall use a risk-based approach as detailed below.

155. Under the risk-based approach, the DOE shall, using its expert judgement, identify reporting risks for the quantitative data related to the estimation of emission reductions in the following areas:

(a) Monitored parameters;

(b) Calculation of the emission reductions achieved, including various emission factors;

(c) Monitoring procedures, including calibration of instruments, and operation and maintenance of measuring devices;

(d) Data collection and processing and other areas of risk identified by the DOE for the specific project activity.

156. The DOE shall asses the extent of the risk of each parameter by evaluating its contribution to the total emission reductions, the likelihood of an error occurring. A risk may be classified as "high", "moderate" or "low".

157. The DOE shall also address risks by crosschecking monitored data against other available data and testing the method(s) used by the project participants by applying alternative and/or more conservative values or approaches.

158. The DOE shall plan the verification activity so as to emphasize those parameters that have the highest risk for the stated emission reductions and determine the sample size for each parameter by using the identified risk and the DOEs expertise on standard auditing and statistical methods.

159. The DOE shall perform the verification of the data according to this plan and identify individual or the aggregation of errors, omissions and/or misrepresentations in the data.

160. The DOE shall ensure that the individual or the aggregation of errors, omissions and/or misrepresentations do not affect the reported emission reductions achieved by the project activity by more than a threshold of [1% for large-scale project activities][and 5% for small-scale project activities].[42]

161. The DOE shall describe in the verification report how it has applied the risk-based approach and determined the sample size. The DOE shall include in the verification report a statement whether the individual or the aggregation of errors, omissions and/or misrepresentations do not affect the reported emission reductions achieved by the project activity by more than the threshold as defined in paragraph 160.

162. The DOE shall describe in the verification report which of the parameters are considered as high risk. If parameters are considered high risk, the DOE shall, inform the project participants of best industry practice to reduce these risks, if available, by raising a FAR. In this case the DOE shall also document the project participants' initial response to the FAR.

C. Verification methods

1. Means of verification

[42] The concept described here is otherwise known in auditing terminology as materiality

163. The DOE shall apply standard auditing techniques to assess the quality of the information, including but not limited to:

(a) Desk review, involving:

(i) Review of the data and information presented to verify their completeness;

(ii) Review of the monitoring plan and monitoring methodology, paying particular attention to the frequency of measurements, the quality of metering equipment including calibration requirements, and the quality assurance and quality control procedures;

(iii) Evaluation of data management and the quality assurance and quality control system in the context of their influence on the generation and reporting of emission reductions;

(b) On-site assessment involving:

(i) Assessment of the implementation and operation of the project activity as per the registered PDD;

(ii) Review of information flows for generating, aggregating and reporting the monitoring parameters;

(iii) Interviews with relevant personnel to confirm that the operational and data collection procedures are implemented in accordance with the monitoring plan in the PDD;

(iv) A cross-check between information provided in the monitoring report and data from plant log books, inventories, purchase records or similar data sources;

(v) A check of the monitoring equipment including calibration performance and observations of monitoring practices against the requirements of the PDD and the selected methodology;

(vi) Review of calculations and assumptions made in determining the GHG data and emission reductions;

(vii) Identification of quality control and quality assurance procedures in place to prevent or identify and correct any errors or omissions in the reported monitoring parameters.

2. Quality of evidence

164. When verifying the reported emission reductions, the DOE shall ensure that there is a clear audit trail that contains the evidence and records that validate or invalidate the stated figures. It shall include the source documents that form the basis for assumptions and other information underlying the GHG data.

165. Matters to address when assessing the audit trail include:

(a) Whether sufficient evidence is available, both in terms of frequency (time period between evidence) and in covering the full monitoring period;

(b) The source and nature of the evidence (external or internal, oral or documented, etc.);

(c) If comparable information is available from sources other than that used in the monitoring report, then the DOE shall cross check the monitoring report against the other sources to confirm that the stated figures are correct.

166. The DOE also shall assess the adequacy of the data collection and/or quality management systems.

167. The DOE shall only certify emission reductions that are based upon verifiable evidence.

3. Clarification requests, corrective action requests and forward action requests

168. The DOE, during its verification, shall identify issues related to the monitoring, implementation or operations of the project activity that could impair the capacity of the project activity to achieve emission reductions or influence the reporting of emission reductions. The DOE shall identify, discuss and conclude these issues in the verification report.

169. The DOE shall raise a CAR if one of the following occurs:

(a) Non-conformities with the monitoring plan or methodology are found in monitoring and reporting, or if the evidence provided to prove conformity is insufficient;

(b) Mistakes have been made in applying assumptions, data or calculations of emission reductions which will impair the estimate of emission reductions;

(c) Issues identified in a FAR during validation to be verified during verification have not been resolved by the project participants.

170. The DOE shall raise a clarification request (CL) if information is insufficient or not clear enough to determine whether the applicable CDM requirements have been met.

171. All CARs and CLs raised by the DOE during verification shall be resolved prior to submitting a request for issuance.

172. The DOE shall raise a FAR during verification for actions that do not have an impact on estimates of emission reductions by more than the threshold as defined in paragraph 160 or if the monitoring and reporting require attention and/or adjustment for the next verification period.

173. The DOE shall report on all CARs, CLs and FARs in its verification report. This reporting shall be undertaken in a transparent manner that allows the reader to understand the nature of the issue raised, the nature of the responses provided by the project participants, the means of verification of such responses and clear references to any resulting changes in the monitoring report or supporting annexes.

D. Verification of specific requirements

1. Project implementation in accordance with the registered project design document

(i) Requirement to be verified

174. Project activities shall have been implemented and operated as per the registered PDD.[43]

(ii) Means of verification

175. The DOE shall, [by means of an on-site visit], ensure that all physical features of the project activity proposed in the registered PDD are in place and that the project participants has operated the project activity as per the registered PDD, taking into account relevant guidance on this matter[44]. The DOE shall verify the implementation of the project activity against the description in the PDD.[45]

(iii) Reporting requirements

176. For each monitoring period, the verification report shall describe:

(a) The implementation status of the project. For project activities that consist of more than one site, the report shall clearly describe the status of implementation and starting date of operation for each site. For project activities with phased implementation, the report shall indicate the progress of the project activity achieved in the each phase under verification;

(b) The actual operation of the project activity;

(c) Information (data and variables) provided in the monitoring report that is different from that stated in the registered PDD and has caused an increase in estimates of the emission reductions in the current monitoring period and/or is likely to increase the estimates of emission reductions in the future monitoring periods[46].

2. Compliance of the monitoring plan with the monitoring methodology

(i) Requirement to be verified

177. The monitoring plan of the project activity shall be in accordance with the applied methodology.[47]

[43] Paragraph 62 (g) of the CDM modalities and procedures stipulates that: the DOE/AE contracted by the project participants to perform the verification shall make the monitoring report publicly available, and identify and inform the project participants of any concerns related to the conformity of the actual project activity and its operation with the registered project design document.

[44] Paragraph 75 of the report of the thirty-third meeting of the CDM Executive Board < http://cdm.unfccc.int/EB/033/eb33rep.pdf> states that "project participants are required to operate registered project activities in accordance with the registered PDD and any monitoring plan revised in accordance with paragraph 57 of the CDM modalities and procedures."

[45] This, for example, may include the actual capacity and output of GHG emission reducing unit(s) or plant(s), plant load factor, type of feedstock, and the operation of other components or units within the project boundary that may impact the emission reductions.

[46] Discrepancies may include higher water availability than expected in the PDD, which may increase the electricity output from a hydropower plant, or a higher plant load factor owing to higher bagasse availability during the crushing season, which increases the production of steam and electricity.

[47] Paragraph 84 of the report of the thirty-third meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/033/eb33rep.pdf> states that "the Board requested that DOEs take note of the requirements of paragraph 2 of the 'Procedures for revising monitoring plans in accordance with paragraph 57 of the modalities and procedures for the CDM', and requested DOEs to confirm in all verification reports that the monitoring plan of the project activity is in accordance with the relevant approved methodology."

(ii) Means of verification

178. The DOE shall verify that the validated monitoring plan is in accordance with the approved methodology applied by the project activity.

179. If during verification, the DOE concludes that the monitoring plan is not in accordance with the monitoring methodology, the DOE shall request a revision to the monitoring plan[48] prior to concluding its verification and making its certification decision. If the monitoring plan cannot be revised for the monitoring period under verification, the DOE shall consider submitting a request for deviation.

180. For monitoring aspects that are not specified in the methodology, particularly in the case of small-scale methodologies (e.g. additional monitoring parameters, monitoring frequency and calibration frequency), the DOE may request the project participants to revise the monitoring plan to improve the level of accuracy and the completeness of monitoring.

(iii) Reporting requirements

181. The verification report shall provide a statement that the monitoring plan is in accordance with the approved methodology applied by the project activity or that the necessary revision or deviation to the monitoring plan has been sought and approved by the CDM Executive Board.

3. Compliance of monitoring with the monitoring plan

(i) Requirement to be verified

182. Monitoring of reductions in GHG emissions to result from the project activity shall be implemented in accordance with the monitoring plan contained in the registered PDD[49] or the accepted revised monitoring plan[50].

(ii) Means of verification

183. The DOE shall confirm that:

(a) The monitoring plan and the applied methodology have been properly implemented and followed by the project participants;

(b) All parameters stated in the monitoring plan, the applied methodology and relevant CDM Executive Board decisions[51] have been sufficiently monitored and updated as applicable, including:

[48] See annex 34 to the report of the twenty-sixth meeting of the CDM Executive Board < http://cdm.unfccc.int/EB/026/eb26_repan34.pdf> for procedures for revising monitoring plans.

[49] In accordance with paragraph 56 of CDM modalities and procedures "Project participants shall implement the monitoring plan contained in the registered project design document."

[50] Paragraph 56 of CDM modalities and procedures, and annex 34 to the report of the twenty-sixth meeting of the CDM Executive Board < http://cdm.unfccc.int/EB/026/eb26_repan34.pdf> for procedures for revising monitoring plans

[51] For example, a decision at the thirty-fifth meeting of the CDM Executive Board provides clarification for the project activities that apply the approved methodology AM0001. This asks the DOE to check the value of "w" based on the past one year period during verification, which was not clearly stated in the approve methodology.

(i) Project emission parameters;

(ii) Baseline emission parameters;

(iii) Leakage parameters;

(iv) Management and operational system: the responsibilities and authorities for monitoring and reporting are in accordance with the responsibilities and authorities stated in the monitoring plan;

(v) Sustainable development indicators for project activities, applicable only if the monitoring plan includes the determination of environmental and/or social indicators;

(c) The accuracy of equipment used for monitoring is in accordance with the relevant guidance provided by the CDM Executive Board and/or reflects good practice in monitoring, and is regularly controlled and calibrated in accordance with the monitoring plan;

(i) Monitoring results are consistently recorded, reviewed and approved as stated in the PDD and the applied methodology;

(ii) Quality assurance and quality control procedures have been applied in accordance with the monitoring plan.

(iii) Reporting requirement

184. The verification report shall indicate that monitoring has been carried out in accordance with the monitoring plan contained in the registered PDD or the accepted revised monitoring plan. The report shall list each parameter required by the monitoring plan and clearly state how the DOE has verified the values in the monitoring reports.

4. Assessment of data and calculation of greenhouse gas emission reductions

(i) Requirement to be validated

185. GHG emission reductions achieved by/resulting from the project activity shall be calculated applying the selected methodology.

(ii) Means of verification

186. The DOE shall determine whether:

(a) A complete set of data for the specified monitoring period is available. If only partial data are available because "activity levels or non-activity parameters have not been monitored in accordance with the registered monitoring plan, the DOE shall make the most conservative assumption theoretically possible in finalizing the verification report"[52] or raise a request for deviation if appropriate;

[52] For details see paragraph 109 (b) of the report of the twenty-sixth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/026/eb26rep.pdf>.

(b) Information provided in the monitoring report has been cross-checked with plant log books, inventories, purchase records, laboratory analysis or similar;

(c) Calculations of baseline emissions, project activity emissions and leakage, as appropriate, have been carried out in accordance with the formulae and methods described in the monitoring plan and the applied methodology document;

(d) Any assumptions used in emission calculations have been justified;

(e) Appropriate emission factors, IPCC default values and other reference values have been correctly applied.

(iii) Reporting requirement

187. The verification report shall contain:

(a) An indication whether data were not available because activity levels or non-activity parameters were not monitored in accordance with the registered monitoring plan as well as any actions taken by the DOE to ensure that the most conservative assumption theoretically possible theoretically possible has been made;

(b) A description of how the DOE cross-checked reported data and applied the risk based approach, as defined in chapter VI, section B, subsection 2, in assessing the data;

(c) A confirmation that appropriate methods and formulae for calculating baseline emissions, project emissions and leakage have been followed;

(d) An opinion if the assumptions, emission factors and default values that were applied in the calculations have been justified.

E. Additional verification activities

1. Background

188. Project participants may contract a DOE to undertake certain specific verification activities. The DOE shall apply the general means of verification and follow the reporting requirements described in chapter VI, section C and D above in carrying out these activities as well as the provisions of this section of the Manual.

2. Request for deviation

189. If the project participants have deviated from the provisions of the registered monitoring plan)[53], the DOE shall submit a request for deviation before providing its verification conclusion or making its certification decision.

190. A request for deviation is appropriate only if a change in the procedures for estimating or monitoring emissions was required due to a change in the conditions or circumstances of the project activity after it was registered as a CDM project activity. The deviation shall be project-specific and

[53] The procedures for requests for deviation are contained in annex 30 to the report of the twenty-fifth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/024/eb24_repan30.pdf>.

shall not deviate from the methodology to the extent that a revision of the methodology would be required.

191. A request for deviation is not suitable if:

(a) The monitoring plan is not in accordance with the monitoring methodology applied by the project activity;

(b) The version of the approved methodology selected by the project activity is no longer valid;

(c) The request would result in revisions to the approved methodology;

(d) The request would result in a change in default parameter values other than those given in the approved methodology.

192. A request for deviation that is approved by the CDM Executive Board applies only to the monitoring period under verification. If the deviation from the provisions contained in the project documentation is to continue in future monitoring periods, the DOE shall submit a request for revision of the monitoring plan (see paragraphs 194–196 below).

193. The verification report shall determine whether and how the monitoring report reflects the application of the approved guidance from the CDM Executive Board regarding the request for deviation.

3. Request for revision of the monitoring plan

194. If the monitoring plan is not in accordance with the monitoring methodology applied to the project activity,[54] the DOE shall submit a request for revision of the monitoring plan before/prior to providing its verification conclusion or making its certification decision.

195. The DOE shall ensure that the level of accuracy and/or completeness in the monitoring and verification process will not be reduced as a result of the proposed revision.

196. The verification report shall determine whether and how the monitoring report reflects the application by the project participants of the approved guidance from the CDM Executive Board regarding the request for revision of the monitoring plan.

4. Differences between requests for deviation and requests for revision of the monitoring plan

197. The table below illustrates the differences between requests for deviation and requests for revision of the monitoring plan.

Comparison between requests for deviation and requests for revision of the monitoring plan

	Request for deviation	**Request for revision of the monitoring plan**
Definition	A formal request for guidance from the	A formal request to the CDM

[54] The procedures for revising monitoring plans are contained in annex 34 to the report of the twenty-sixth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/026/eb26_repan34.pdf>.

	Executive Board of the clean development mechanism regarding deviations from provisions of the registered project documentation for the verified period only	Executive Board to revise the monitoring plan to comply with the monitoring methodology or to improve accuracy and/or completeness of information
Required documents	- Request for deviation form[a] - Other relevant documents	- Revised monitoring plan - The DOE's validation option by the - Other relevant documents
Submission	Via a dedicated web interface	Via a web interface or an email from the DOE
Note: Requests for deviation or revision of the monitoring plan cannot be used to request guidance on changes in the project design from the project design document. [a] The form shall provide clear and precise assessment and description of the impact of the deviation on the emission reductions achieved by the project activity for the Executive Board to evaluate.		

F. Verification report

198. Following the principle of transparency, the verification report shall give an overview of the verification process used by the DOE in order to arrive at its verification conclusions. All verification findings shall be clearly identified and justified.

199. The verification report shall provide the following:

(a) A summary of the verification process and the scope of verification;

(b) Details of the verification team;

(c) Findings of the desk review and site visit;

(d) All the DOE's findings and conclusions as to whether the project has been implemented in accordance with the PDD, the compliance of the monitoring plan with the monitoring methodology, the compliance of monitoring with the monitoring plan and assessment of data and calculation of GHG emission reductions;

(e) A list of each parameter specified by the monitoring plan and a clear statement on how the values in the monitoring report have been verified;

(f) Assessment and close out of any CARs, CLs or FARs issued to the project participants;

(g) Assessment of remaining issues from the previous verification period, if appropriate;

(h) Conclusion on the verified amount of emission reductions achieved.

200. The DOE shall provide all documentation supporting the verification (e.g. the verification checklist) with the verification report.

G. Certification Report

201. Certification is the written assurance by the DOE that, during a specified time period, a project activity achieved/resulted in the reductions in anthropogenic emissions by sources of GHGs as verified.

202. The certification report shall constitute a request for issuance to the CDM Executive Board of CERs based on the verified amount of emission reductions stated in the verification report.

VII. Communication with the secretariat

A. Registration – request for registration

203. Registration is the formal acceptance by the CDM Executive Board of a validated project activity as a CDM project activity.

204. If the DOE, following validation, considers that a project activity meets the CDM requirements, it shall be submitted for registration via the dedicated interface on the UNFCCC CDM website, where the request for registration will be published.

205. The DOE shall submit the following documents as part of the request for registration:

(a) The validation report;

(b) The written approval of voluntary participation from the DNA of each Party involved in the project activity, including confirmation by the host Party that the project activity will assist it in its sustainable development;

(c) A statement signed by all project participants stipulating the modalities of communicating with the CDM Executive Board and the secretariat, in particular with regard to instructions regarding allocations of CERs at issuance;

(d) The final PDD, including all necessary annexes, detailed calculations of the emission reductions and the financial analysis;

(e) Form for requesting registration of proposed CDM project activities (F-CDM-REG).

206. Before submitting the request for registration, the DOE shall take care to ensure, that:

(a) Letters of approval contain all required elements (see paragraph 42 above) and refer to the title of the project activity as given in the PDD submitted for registration;

(b) Dates and cross references between documents are consistent;

(c) All documentation submitted, including map legends and spreadsheets, are in English;

(d) Detailed information to support the identified baseline scenario and determination of additionality are contained in the PDD or an annex to it.

207. Upon the secretariat's receipt of the request for registration through its website, a unique registration reference number is generated that shall be used for the bank transfer of the registration fee.

208. Upon receipt of the fee, the secretariat will perform a check that the request for registration complies with all the CDM requirements, including those listed in paragraph 206. Should the secretariat deem the submission incomplete, it will immediately notify the DOE of the problems and the DOE may resubmit the required additional or replacement documents via the dedicated interface on the UNFCCC CDM website.

209. The registration by the Executive Board shall be deemed final eight weeks after date of receipt of the request for registration on the UNFCCC CDM website, unless a request for review is made by a Party involved in the project activity or at least three members of the CDM Executive Board (see paragraphs 210–215 below). The registration of small-scale project activities shall be deemed final four weeks after date of receipt of the request for registration on the UNFCCC CDM website, unless a request for review is made by a Party involved in the project activity or at least three members of the CDM Executive Board (see paragraphs 210–215 below).

B. Registration – request for review

210. If a request for review of a request for registration, related to issues associated with the validation requirements, is made, the secretariat will inform the DOE and the project participants of the request, provide the reasons given by those requesting the review and notify them of the CDM Executive Board meeting at which the request will be considered.

211. If a review is requested on the basis of issues that are "only of minor nature and could be corrected by clarifications and/or revised documentation," the secretariat will inform the DOE that the registration has been postponed until they have provided satisfactory clarification on the issue(s) raised, and, if necessary, revised documentation.[55] This clarification and documentation shall be submitted to the secretariat within two weeks from issuance of the notification and shall be checked by the secretariat, in consultation with the Chair of the CDM Executive Board.

212. If a request for review of a request for registration is made within one week prior to the deadline for circulation of the proposed agenda of the forthcoming meeting of the CDM Executive Board, the deadline for submitting clarifications and further documentation shall be two weeks before the day of the Board meeting. The DOE and project participants may, within one week from receiving the notification of the request for review, inform the secretariat that they intend to provide their clarifications with the full two-weeks, and the CDM Executive Board will consider the request for review at the forthcoming Board meeting.

213. If the CDM Executive Board determines that a review of the request for registration is necessary[56], the DOE will be informed of this by means of the report of the CDM Executive Board meeting and by notification from the secretariat.

214. The review team appointed by the CDM Executive Board may request clarification from the DOE on the basis of the agreed scope of the review.

215. A potential outcome of the request for review and the review itself is that the CDM Executive Board determines that the project activity can be registered once corrections to the project documentation have been made. In such cases the DOE shall be required to validate that any corrections made by the project participants conform to CDM requirements and that its validation opinion remains valid.

[55] https://cdm.unfccc.int/Reference/Guidclarif/reg/reg_guid01_v08.pdf

[56] See annex IV of decision 4/CMP.1 for procedures for review referred to in paragraph 65 of the modalities and procedures of the clean development mechanism <http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=7>.

C. Submission of the monitoring report

216. Before commencement of the verification of the project activity, the DOE shall make the monitoring report received from project participants available on the UNFCCC CDM website through the dedicated interface.

217. If the monitoring report has been revised in response to a CAR, the DOE shall submit it to the CDM Executive Board as an additional document with the request for issuance[57].

D. Issuance – request for issuance

218. The DOE shall submit its request for issuance of CERs using the appropriate form[58], via the dedicated interface on the UNFCCC CDM website.

219. The following documents shall be submitted as part of the request for issuance:

(a) The verification report and certification statement;

(b) The final version of the monitoring report, if applicable;

(c) Other documents supporting the monitored values of parameters and calculation of emission reductions[59].

220. The DOE shall take care to avoid the following errors in the documentation submitted as part of the request for issuance:

(a) Inconsistent data (such as the reference or methodology version number, the dates of the crediting period or the amount of CERs) or use of a language other than English;

(b) Incomplete information or missing data (such as the methodology version number, monitoring report date and version, unique project reference number, or missing signatures in the verification report or certification report);

(c) Incomplete documentation (such as missing spreadsheets or requests for deviation).

221. The secretariat will perform a check that the documentation complies with all the CDM requirements, including those listed in paragraph 220. Should the secretariat deem the submission incomplete, it will immediately notify the DOE of the problems and the DOE may resubmit the required additional or replacement documents via the dedicated interface on the UNFCCC CDM website.

222. The date of receipt of a request for issuance is the date when the documentation is deemed complete and published on the UNFCCC CDM website.

223. Following publication of the request for issuance on the UNFCCC CDM website, the issuance of CERs by the CDM Executive Board shall be considered final 15 days after the date of receipt by the

[57] See paragraph 107 of the report of the twenty-fifth meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/025/eb25rep.pdf>.

[58] Form F_CDM_REQCERS <http://cdm.unfccc.int/Reference/PDDs_Forms/Issuance/index.html>

[59] Data should be provided in the monitoring report before project participants may submit a request for issuance to the DOE, and submitted to the secretariat in a format that allows for assessment by the registration and issuance team.

Board of the request for issuance, unless a review of the proposed issuance of CERs is made by a Party involved in the project activity or at least three members of the CDM Executive Board (see paragraphs 224–232 below).

E. Issuance – request for review

224. If a request for review of a request for issuance, limited to issues of fraud, malfeasance or incompetence on the DOE's part, is made, the secretariat will inform the DOE and the project participants of the request, provide the reasons given by those requesting the review and notify them of the CDM Executive Board meeting at which the request will be considered.

225. If a review is requested on the basis of issues other than those mentioned in paragraph 224 above that are "only of minor nature and could be corrected by clarifications and/or revised documentation," the secretariat will inform the DOE that the issuance of CERs has been postponed until they have provided satisfactory clarification on the issue(s) raised, and, if necessary, revised documentation. This clarification and documentation shall be submitted to the secretariat within two weeks from issuance of the notification and shall be checked by the secretariat, in consultation with the Chair of the CDM Executive Board, before the administrator of the CDM registry is instructed to issue CERs.

226. If a request for review of a request for issuance is made within one week prior to the deadline for circulation of the proposed agenda of the forthcoming meeting of the CDM Executive Board, the deadline for submitting clarifications and further documentation shall be two weeks before the day of the Board meeting. The DOE and project participants may, within one week from receiving the notification of the request for review, inform the secretariat that they intend to provide their clarifications with the full two-weeks, and the CDM Executive Board will consider the request for review at the forthcoming Board meeting.

227. The DOE shall verify the information contained in the response to a request for review sent by the project participants.

228. If the CDM Executive Board determines that a review of a request for issuance is necessary, in accordance with the review procedures[60], the DOE will be informed of this by means of the report of the Executive Board meeting and by notification from the secretariat.

229. The review team appointed by the CDM Executive Board may request further clarification from the DOE on the basis of the agreed scope of the review.

230. A potential outcome of the request for review and the review itself is that the CDM Executive Board determines that the issuance of CERs can take place once corrections to the PDD and/or verification report have been made. In such cases the DOE shall confirm that any corrections made by the project participants conform to the CDM criteria and that the verification report and certification statement remain valid.

231. If the CDM Executive Board requests corrections to be made based on the findings of the review, the verifying DOE and/or the project participants shall submit the corrections to the secretariat within 12 weeks of receipt of request for corrections.

[60] <http://cdm.unfccc.int/Reference/COPMOP/08a01.pdf#page=58>.

232. If the CDM Executive Board declines to approve the request for issuance based on the findings of the review, a request for permission to resubmit the request for issuance shall be submitted within 60 days from the date of rejection.[61]

F. Submission of a request for deviation

233. If the DOE seeks guidance for an identified deviation, it shall submit the form for submitting a request for deviation, "CDM: Request for deviation form" (F-CDM-DEV), via the dedicated interface on the UNFCCC CDM website.

234. The DOE's submission shall provide complete, clear and precise assessment and description of the impact of the deviation on the emission reductions that will be achieved by/result from the project activity, for the CDM Executive Board to evaluate. The DOE shall substantiate the assessment with relevant and verifiable technical information.

235. If the form and documentation are incomplete, the secretariat will ask the DOE to resubmit them. The secretariat will also inform the DOE if additional information or technical clarification is required.

G. Submission of a request for revision of the monitoring plan

236. If the DOE seeks guidance for a revision of the monitoring plan, it shall submit the revised monitoring plan of the project activity and a revised validation opinion, which confirms that:

(a) The level of accuracy and/or completeness in the monitoring and verification process will not be lowered as a result of the proposed revision of the monitoring plan;

(b) The proposed revision of the monitoring plan is in accordance with the approved monitoring methodology applicable to the project activity;

(c) The findings of previous verification reports, if any, have been taken into account.

237. The revised monitoring plan shall be a stand-alone document that replaces the monitoring plan contained in the PDD. Therefore, the DOE shall ensure that the revised plan contains all monitoring parameters and necessary monitoring and quality assurance and quality control procedures required by the project participants to implement the monitoring in accordance with the monitoring methodology.

- - - - -

[61] See paragraph 86 of the report of the thirty-first meeting of the CDM Executive Board <http://cdm.unfccc.int/EB/031/eb31rep.pdf>.