

DOE/AIE Forum | Werner Betzenbichler | Bangkok, April 2011

3rd CDM Roundtable
“The Project Cycle Processes and the VVS”
- DOE Viewpoints

Topics

- The CDM Project Cycle – Improving timelines
- Revision of the VVM
- Significant Deficiencies and DOE liability
- Standard for project participants (i.e. obligations on project participants during validation, operation and verification of project activities)

The CDM Project Cycle – Improving timelines

- The DOE Forum welcomes the focus on ensuring predictability and sustainability of the project assessment process
- Impacts on DOE's operation due to lack of predictability
 - Difficulties in dispatching audit teams
 - Ad-hoc changes of schedules
 - Demoralization of personnel
 - Discontent of clients
 - Financial risks for DOEs and PPs
 - Negative image of CDM & DOEs

The CDM Project Cycle – Improving timelines (2)

- Guidance issues affecting DOE assessment timelines
 - Quality of Input (PDD / Monitoring Report / supporting documents)
solutions: digitization
standard forms
development level of supporting documents
 - Requirements for Output (Validation and Verification Reports)
solutions: digitization
standard forms
consistent and unambiguous guidance text
 - Iteration loops on revised documents
solutions: setting time limits (open, if justification can be given)
requirement to reject assessment, if PP does not deliver
 - “RfC” and “RfD” linked to Meth Panel & EB calendar
solutions: de-link completely

The CDM Project Cycle – Improving timelines (3)

- Project-specific issues affecting DOE assessment timelines
 - “RfD”, changed MPs and activity changes in verification
solutions: submission of validation reports with Request for Issuance
approval with issuance
requires procedure(s) how to disapprove / reject by DOE
- Improving timelines by enhanced communication
 - Bidirectional direct communication tracks at the end of completeness checks and reviews may reduce need for iteration loops
 - Harmonization by calibration measures for DOEs / RIT / Secr. staff / EB
--> afterwards „speaking the same language“
- Consistent application of the concept of materiality

Revision of the VVM

- The DOE Forum welcomes the objective of revising the VVM into a VVS and a consolidated validation and verification procedure
- Expectations:
 - Reduced ambiguity
 - Two tier approach including reference to technology or methodology specific guidance (e.g. on wind & hydro projects in China)
 - Needs to include latest developments (forms, procedures, digitization?)
 - Concept of materiality?
 - Joint finalization in a workshop with 2 or 3 week review period beforehand
 - Early enacting to avoid interference with DOE shortfalls in 2012

Significant Deficiencies and DOE liability

- Some questions beforehand
 - Is the VVS or a consolidated validation and verification procedure the right place to cover this aspect?
 - Who is responsible for over-issuance? What was the reason for linking this to DOEs only? Haven't all documents been reviewed by many parties?
 - Which process should lead to the detection of over-issuance after multiple reviews? Who should have the task and time to seek for such errors? What is the incentive to report such cases? Will we create witch-hunts?
 - What should trigger in-depth re-assessment? Sneaking suspicions or strong evidences?
 - What is a significant deficiency? A single ton? Linked to the materiality threshold? Something different?

Significant Deficiencies and DOE liability (2)

- Consequences of wrong set-up
 - Missing attractiveness of further business development
 - Even consideration of leaving the market
 - Potential for denunciation
 - Binding human resources in defending and re-assessments
- Expectations by the DOE Forum
 - No impact on registered activities (no retro-activity)
 - Restricted to / focus on cases of fraud, malfeasance and gross negligence (requires definition thereof)
 - No involvement of a second DOE; inclusion of a neutral body if necessary
 - Consideration of all alternatives that protect the environmental integrity (e.g. „insurance fund“)

Significant Deficiencies and DOE liability (3)

- Demands of the DOE Forum
 - No top-down development – creation of a joint solution
 - Clear indication who and what triggers ex-post assessments of issuances (it is not considered as scope of an accreditation assessment)
 - Clear and legally robust regulations
 - Unambiguous predictability of related risks

Standard for Project Participants

- Views of the DOE Forum
 - Ensure consistency
 - Future revisions hand in hand with other standards
 - Should we have a transparent standard for the document review by Secretariat and RIT, too?
 - Or is there already something other than the checklists, but not published?

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