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 DOE 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?
Werner Betzenbichler
Chair of the DOE/AIE Forum
on behalf of TÜV NORD

Designated Operational Entities and Independent Entities Association • Werner.Betzenbichler@bece-experts.com