Project Cycle Process – Validation and Verification Standard (VVS)

3rd CDM Roundtable
Bangkok, Thailand, 10 April 2011
Project Cycle Process - Background

The Board has taken several measures, including:

- Introduction of an enhanced completeness check for project submissions (EB 48);
- Prioritizing new submissions over resubmissions (EB 53);
- Adoption of new procedures for registration of project activities and issuance of CERs (EB 54);
- Adoption of new review procedures for registration and issuance (EB 55).

More to be done:

- Although registration related submissions may be sustainably handled with recent operational adjustments and resource plans (including outsourcing), this is unlikely for issuance given the continued expected growth in requests.
- To achieve a longer term balance and to ensure secretariat provides timely assessment of projects, the Board will need to consider further improvements and clarifications of its rules and guidelines.
Project Cycle Process – Current situation

• The current system of assessments is not sustainable
  ✓ The Board is reviewing individual requests
  ✓ In order to cope with high number of requests, secretariat has:
    ➢ On-site exercise (6 – 18 December 2010)
    ➢ Call for experts

• Sustainable situation which would result in a streamlined and efficient assessment of projects
  ✓ Risk-based assessment
  ✓ Defining monitoring period intervals
  ✓ Allowing the bundling of issuance requests
  ✓ Standardizing and digitizing key elements of project related submissions
  ✓ Simplifying methodologies and related requirements
Project Cycle Process - Risk-based assessment

• A type of assessment where users may allow specific risk factor to determine the scope and evidence required in the assessment

• In the context of assessment of CDM projects, the risk can be analysed from past experience:
  ✓ Designated Operational Entities (DOEs) performing the validation or verification function
  ✓ Complexity of methodology being used
  ✓ Historic record of project

• Prioritisation of assessment of project submissions and re-defining the expectation of level of assessments
  ✓ Profiling of submissions classified into several categories of risks, from high to low risk
  ✓ How the different aspects contribute to the desired outcomes and the probability of the non-compliance occurring
Project Cycle Process - Monitoring period intervals

• At present, no minimum period intervals that can be covered in a monitoring period
  ✓ Requests for issuance that cover monitoring periods as short as fifteen to thirty
  ✓ More frequent requests for issuance being submitted
  ✓ Such requests increase the workload per project

• Setting the minimum interval for the monitoring period
Project Cycle Process - Bundling issuance requests

• Bundling of requests for issuance for identical or similar registered project activities
  ✓ For example, animal waste management projects in Brazil and Mexico, wind/hydro project activities in China
  ✓ Allowing a DOE to bundle their verification activities under a single request for issuance would reduce the volume of submissions

• Bundling of issuance requests with other processes
  ✓ For example, integrating minor amendments of monitoring plan and project design document (PDD) into the verification cycle minor amendments of monitoring plan and project design document (PDD)
Project Cycle Process - Standardizing & digitizing

- Providing standardized templates and would reduce errors and assessment time per project
  ✓ Improving the format of existing templates for PDDs and monitoring reports in order to extract the core information easily
  ✓ Introducing templates for validation and verification reports

- Digitizing key information
  ✓ Introducing digitized forms to allow for full data capture
Project Cycle Process - Simplifying methodologies

• Complexity of additionality and methodological requirements increase significantly the extent of the assessment required to assess/confirm compliance

✓ Simplified approach to additionality for micro-scale projects
✓ A new Tool for baseline selection
✓ New approaches to the demonstration and assessment of additionality, which place a focus on objective criteria
✓ Review of existing methodologies to remove or simplify specific requirements and ensure consistency of approaches between methodologies.
VVS - Background

What is VVM?

Validation and verification manual (VVM) is a document:

• To provide requirements to designated operational entities (DOEs) for their validation and verification work; and
• To promote quality and consistency in the preparation of DOEs’ validation and verification reports

HISTORY

• EB 44 (Nov 2008): Adoption of VVM (version 01)
• EB 49 (Sep 2009):
  Agreement on six-monthly review to incorporate EB’s new decisions and minor editorial changes → currently version 01.2
  Biannually comprehensive review
• EB 59 (Feb 2011): Agreement to revise VVM into Validation and Verification Standard (VVS) and a consolidated validation and verification procedure (VVP)
VVS - Objectives

• To separate (mandatory) determination and verification requirements from guidance and procedures

• To consolidate all determination and verification requirements found in various EB documents into one document

• To ensure consistency in and improve clarity of all EB’s decisions on determination and verification

• To streamline all existing procedures to make the entire validation and verification process less cumbersome, more efficient and ultimately provide for faster decisions
VVS - Planned steps

- Extract all validation and verification requirements from the existing EB regulatory documents
- Consolidate them into VVS
- Clarify, consolidate and ensure the consistency of all existing EB’s regulatory decisions relating to validation and verification
- Streamline all existing procedures relating to validation and verification process
- Stakeholder consultation (call for inputs, workshops)
- EB 63 (Sep 2011) to adopt VVS and VVP
Thank you.

Questions?