Procedures to address significant deficiencies

Integrated Workshop on Project Standard, Validation and Verification Standard, Project Cycle Procedure and Programme of Activities Standards Bonn, Germany, 24-26 August 2011



UNFCCC Secretariat SDM programme

Background





Used of terms and definitions

- Deficiency with regard to validation, verification, or certification reports
- *Significant* deficiency deficiency that, when corrected, would lead to a different or contrary validation or verification opinion than originally issued
 - Local stakeholder consultations
 - Host party approval
 - Environmental impact assessment
 - Additionality of project activity
 - Applicability/application of methodology
 - Calculation of emission reductions/removal enhancements



Principles of liability

Where significant deficiencies were results of ...

- Lack of guidance or clarity on the application of a CDM requirement applicable at the time of validation, verification, or certification – no party liable for excess issuance of CERs
- DOE failing to correctly apply a clear and known CDM requirement applicable at the time of validation, verification, or certification – DOE shall be liable for excess issuance of CERs
- Actions of PP that could not be reasonably detected by DOE Board may require (downward) adjustments of future issuance to compensate for excess issuance of CERs
- Excess issuance of CERs is limited to (CERs issued in 5 years prior to review date CERs should have been issued)



Initiation of review





Investigation and correction – Preliminary investigation





Investigation and correction – Review of significant deficiency & Consideration of assessment





Post - investigation and review

- Corrections of significant deficiencies
- Transfer equivalent amount of ERUs, CERs, AAUs and/or RMUs equal to excess CERs issued into cancelation account in CDM registry timeframe to be decided
- Resume processing of requests for issuance, as appropriate
- Initiate review of reports prepared by another DOE
- Withdraw accreditation of DOE fraud cases
- No future issuance for PA/PoA fraud cases
- Failure to comply with Board's direction
- Cost of review

