CLEAN DEVELOPMENT MECHANISM

CDM-EB113-A07-AMEN

Standard

Amendments to version 03.0 of the CDM validation and verification standard for project activities on remote validation or verification by DOEs

Version 01.0

United Nations
Framework Convention on
Climate Change

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1. Amendments to "CDM validation and verification standard for project activities" (version 03.0)

1. This document contains the amendments adopted by the Executive Board of the clean development mechanism at its 113th meeting, to the "CDM validation and verification standard for project activities" (VVS-PA) (version 03.0) (CDM-EB93-A05-STAN). This document will be consolidated into the VVS-PA in its next revision.

2. The amendments contained in appendix enter into force on 11 March 2022.

Appendix 1. Amendments to "CDM validation and verification standard for project activities" (version 03.0)

1. Changes to section 7.1.3. Means of validation

1. The existing paragraph 31 shall read as follows:

> 31. For cases that are not referred to in paragraph 30 above, it is optional for the DOE to conduct an on-site inspection at validation. If the DOE does not conduct an on-site inspection as a means of validation, it shall describe the alternative means used and justify that they are sufficient for the purpose of validation. If the DOE conducts a remote inspection as an alternative means to an on-site inspection, the DOE should follow the guidance contained in appendix 1.

2. Changes to section 9.1.3. Means of verification

2. The existing paragraph 241 shall read as follows:

> 340. For cases that are not referred to in paragraph 339 above, it is optional for the DOE to conduct an on-site inspection at verification. If the DOE does not conduct an on-site inspection as a means of verification, it shall describe the alternative means used and justify that they are sufficient for the purpose of verification. If the DOE conducts a remote inspection as an alternative means to an on-site inspection, the DOE should follow the guidance contained in appendix 1.

3. Changes to section 9.2.6 Compliance with the calibration frequency requirements for measuring instruments

3. The existing paragraph 366 shall read as follows:

> 366. If, during the verification of a certain monitoring period, the DOE identifies that the calibration has been delayed and the calibration has been implemented after the monitoring period in consideration (i.e. the results of delayed calibration are available), referring to the illustrative examples in the appendix 2 below, the DOE may conclude its verification, provided the following conservative approach is adopted in the calculation of GHG emission reductions or net anthropogenic GHG removals:

4. Inclusion of an additional appendix

4. A new appendix shall be added before the existing appendix as follows:

> **Appendix 1: Guidance on remote inspection as an alternative means to an on-site inspection**
>
> 1. In this document, a remote inspection for the purpose of validation or verification refers to the activities where the validation or verification team of the designated operational entity (DOE) carries out the same activities as in a physical on-site inspection through information and communication technologies (ICT) tools.

2. There are risks posed by remote inspections, including in the use of ICT tools. In order to ensure a level of assurance of the validation or verification objectives as comparable as in an on-site inspection, there needs to be measures in place to reduce these risks.

3. The DOE should identify risks pertaining to the remote inspection for each validation or verification activity and establish and implement measures to eliminate or reduce those risks. A DOE should also integrate this risk assessment process into its quality management systems.

4. The DOE should implement the following actions at different stages of a validation or verification activity:

(a) Risk assessment stage: The feasibility of conducting a remote inspection depends on the risk level and whether measures to eliminate or reduce the risks are adequate to achieve the validation or verification objectives.[1] Therefore, a risk assessment to be conducted by the DOE should cover the aspects below:

(i) Identifying and assessing the risks inherent in a remote inspection. The risks may be at different levels and could cover different aspects; hence the risk identification and assessment should cover:

a. Risks related to organizational and procedural aspects, which include generic risks. These risks could relate to the following: the quality of the internet connection; the quality of ICT tools such as good camerawork to ensure a reasonably good view for the validation or verification team; the amount of documentation to be reviewed remotely; whether relevant data flows can be accessed remotely; what record-keeping system is established; the maintaining of confidentiality and personnel data protection; and the required competence and resources of the validation or verification team;

b. Risks related to the project activity and its configuration, which present project-specific risks: The risks could relate to the following: whether the boundary and features of the project activity can be evaluated remotely; whether the remote inspection would enable the DOE to observe any sources of emissions that are not included in the project activity; how control activities are carried out; and how calculations are tracked and cross-checked;

c. Risks related to monitoring aspects: The risks could relate to the following: the complexity of the monitoring parameters and the monitoring plan; data processing and reporting; whether a fiscal metering method is applied; the sampling or surveys conducted at household level; what status of the monitoring period is being verified; and whether data and information have been thoroughly checked during previous

[1] VVS-PA, paragraphs 26 and 311, specify the validation and verification objectives, respectively.

verifications or whether such data and information can be checked subsequently without an on-site inspection;

(ii) Establishing measures to eliminate or reduce the identified risks. The DOE should establish measures to eliminate or reduce each identified risk at different levels described in subparagraph (i) above;

(iii) The risk assessment pertaining to the remote inspection may be done in the context of the application of materiality following the relevant provisions in the "CDM validation and verification standard for project activities" (VVS-PA) and the "Guideline on the application of materiality in verifications";

(b) Planning stage: Based on risk assessment outcomes, the DOE should plan the validation or verification activity as follows:

(i) Composing a validation or verification team with sufficient members that have the knowledge, skill and solid professional judgement required in an on-site inspection in conjunction with additional competence in applying ICT tools;

(ii) Conducting a desk review to gain a prior understanding of records and documentation control processes of the project participants;

(iii) Establishing a validation or verification plan to clearly define the tasks to be done during the remote inspection, taking into account the established measures to eliminate or reduce the identified risks. This includes a detailed allocation of responsibilities by different validation or verification team members with the required knowledge and specific time zones to ensure the team members audit separately and make the best use of time;

(iv) Determining ICT tools to be used with the project participants and conducting a test on the agreed ICT tools before the remote inspection to ensure that there is a stable connection and understanding of how to use such ICT tools. The DOE should also ensure that there is a backup plan in case there is a connection issue;

(c) Implementation stage: During the remote inspection, the DOE should implement measures it has established to mitigate the identified risks, while conducting the validation or verification following the relevant requirements of the VVS-PA. At this stage, the DOE may decide to extend or terminate the remote inspection if it finds during the remote inspection that the actual risks are higher than initially assessed.

(d) Post-remote inspection stage: the DOE should:

(i) Assess whether another round of remote inspection is needed while reviewing the project participants' response to clarification requests, corrective action requests and/or forward action requests;

(ii) Ensure that its technical review process is able to identify any risks that were not identified during risk assessment stage.

5. Changes to appendix Calibration

5. The existing appendix shall read as appendix 2. Calibration

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Document information

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