

CDM Project validation in practice

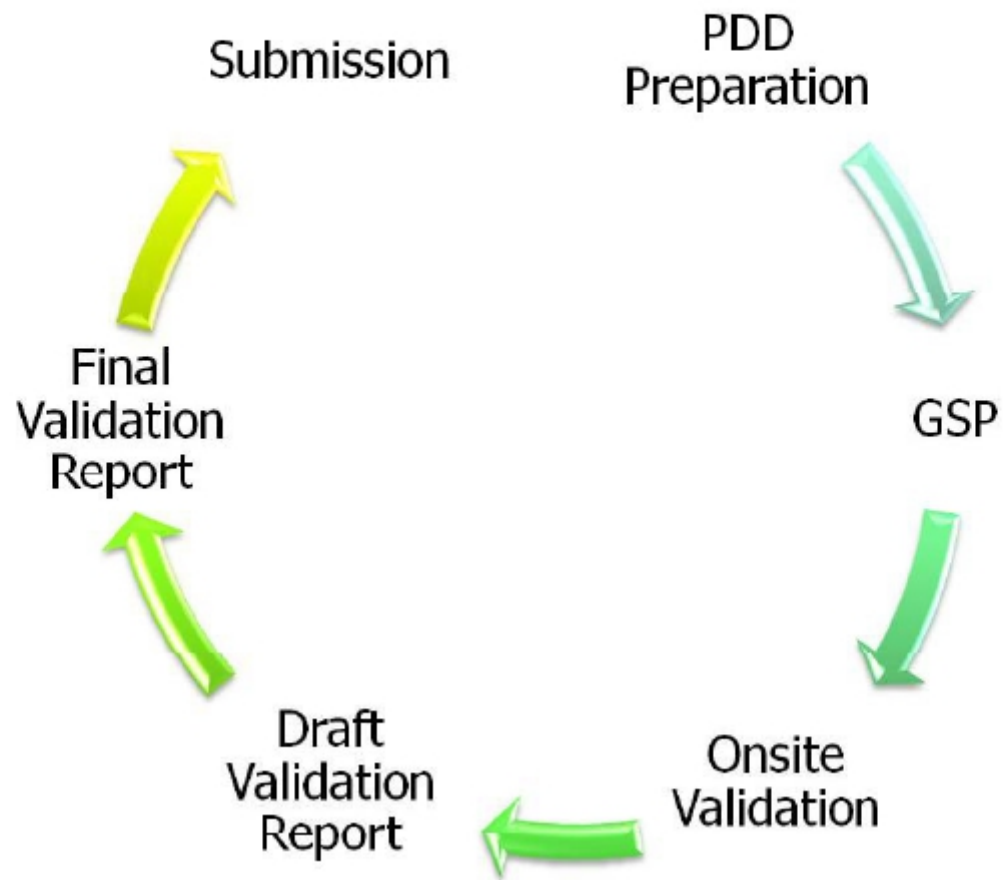
- based on an example of real project

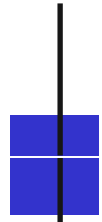


Foreword

- u Validation is the process of independent evaluation of a project activity by a designated operational entity against the requirements of the CDM
- u Validation is the process of **evaluation** of all relevant documents, and **confirmation** of all the information conveyed and assumptions made within the project design document are accurate and/or reasonable.

CDM Project Validation Cycle



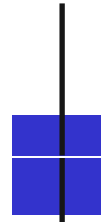


Validation in practice-Case Study

- u Location: Fiji
- u Technology: Methane Capture & Flaring
- u Description: To recover and flare methane generated by the anaerobic decomposition of organic matter in sludge of an existing sewerage treatment plant.

Net emission reductions

- u = Total baseline emissions - Total project emissions-leakage



Validation in practice-Case Study





PDD Preparation

PDD
Preparation





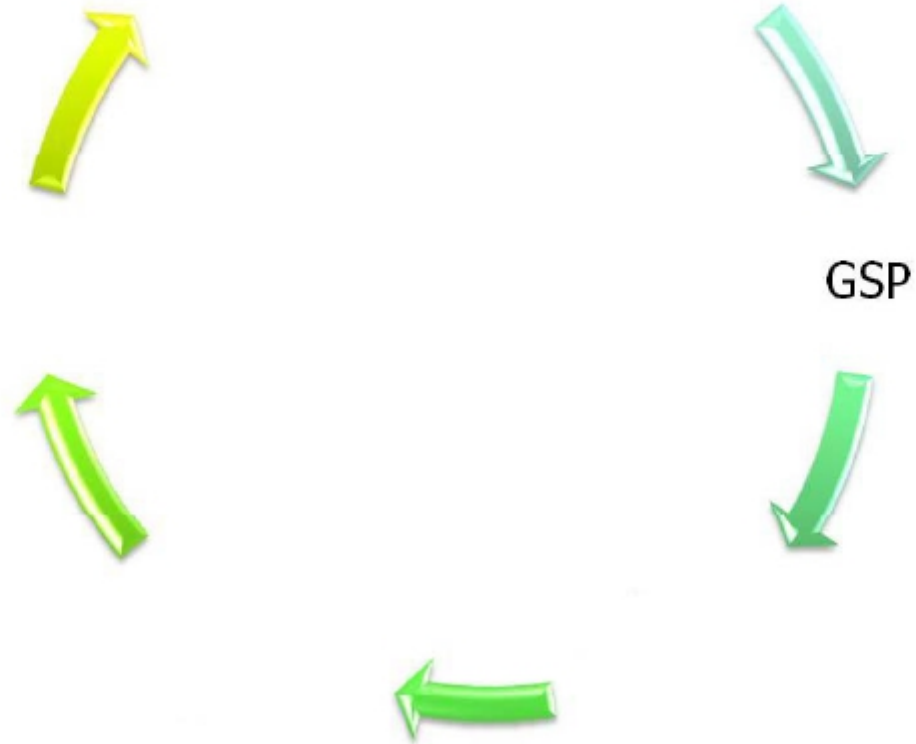
PDD Preparation

- u Project developer and consultant are responsible for project design process, key issues should be noticed:
 - ∅ Justify the project scale, Large-scale or Small-scale?
 - ∅ Justify the methodology adopted.
 - ∅ Project participants should be identified clearly. *Typically, consultants, DNAs and local municipalities do not have a share in the distribution of CERs**.
 - ∅ Prior Consideration of the CDM should notify EB.

*sourced from CDM PDD Guidebook: Navigating the Pitfalls



Global Stakeholder Process -GSP





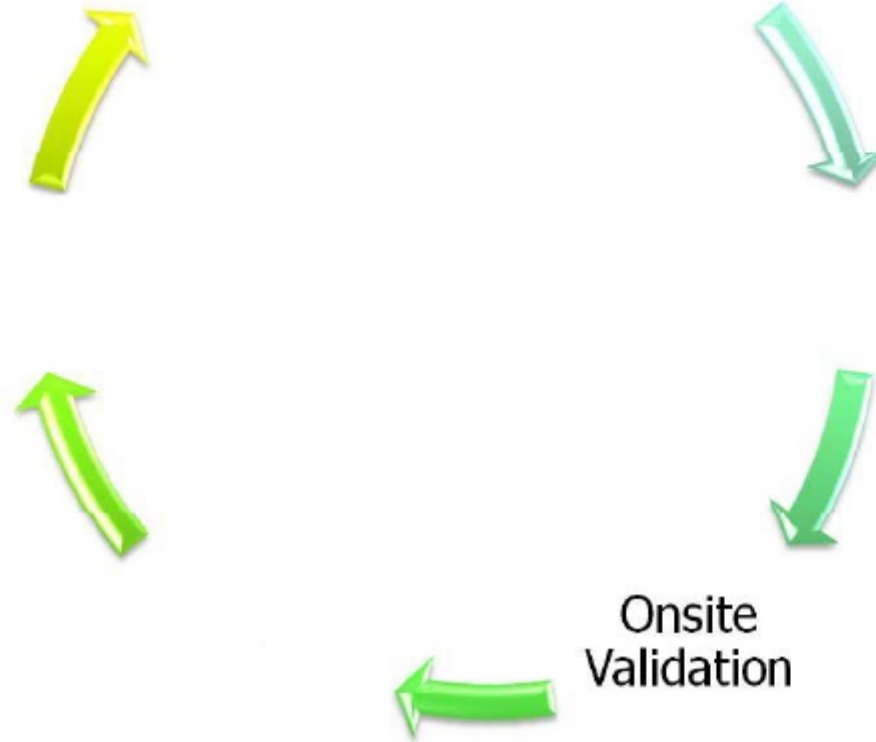
Global Stakeholder Process -GSP

- u Select a Designated Operational Entities (DOEs) based on their **Experience, Cost, Work Efficiency** and **Familiarity to local regulations**.
- u The Project and Entity Name had been confirmed before uploading.
- u When PDD was ready, the selected DOE made it publicly available on the website of UNFCCC.
- u During Global Stakeholder Process, comments on project from stakeholders including NGOs took 30 days.

*sourced from CDM PDD Guidebook: Navigating the Pitfalls



Onsite Validation



Onsite Validation- Documents Review

- u The DOE conducted the Onsite validation on two days.
- ∅ Day I: Documents Review
- ∅ Agenda:
 - ü Open meeting with project participant and consultant
 - ü General description of project design, boundary by PP
 - ü Choice and applicability of baseline methodology
 - ü Documents Review by DOE
- ∅ Documents: Evidence of the legality of the project, Feasibility Study Report, related approvals, construction plan and other supporting evidences

Onsite Validation

- ü

- ∅ Day II: Background Investigation

- ∅ Agenda:

- ü Background investigation by DOE

- ü Detailed description of project technology by PPs

- ü Description of PPs involved in CDM project activity

- ü Project site visit

- ∅ Investigation includes: technology, legislation, issues related to project implementation impacts.

Onsite Validation



Onsite Validation

u Day II: Interview

ø Agenda:

ø Interview with local stakeholders about the project's s
ü environmental impact

ü Interview with local administration about validity y of the
ü project

Submission of the audit findings to PPs and consultant

ü Close Meeting

ü Validator from DOE had arranged interviews with
ø project operator, local stakeholder and local
administration

Onsite Validation





Draft Validation Report





Draft Validation Report-CAR/CL

CAR: Letter of approval delayed.

Reply: PDD submitted for validation was not accompanied by the Letter of Approval (LoA) from relevant DNA, because the application process started later than the validation.

- It would be very necessary that applying LoA at early stage as this often takes time.
- For bilateral project, Annex I country LoA also shall be applied early



Draft Validation Report-CAR/CL

CAR: Project **boundary** should be defined clearly

Reply: Visualization of project and the system boundary was included in PDD. The approved methodologies had been followed in detail to ensure that all sources of direct and indirect, on-site or off-site emissions are included as required.

- All counties which supply the project shall be clearly stated
- Which level of power grid shall be clearly stated in the PDD.



Draft Validation Report-CAR/CL

CL: BarrierAnalysis need to be justified.

Reply: The documents for the arguments of barrier analysis was provided to prove the project is the first-of-this-kind project in the region.

- Difficult is not considered to be barrier
- It is better to prove agreements in the quantity way



Draft Validation Report-CAR/CL

CL: Demonstrate when the stakeholders consulted and justify how the questionnaires distributed.

Reply: Relevant **legal requirements** of which stakeholders to contact and by what means had been stated in PDD. Before the questionnaires distributed and stakeholder meeting held, a **notification** was posted to advertise the date and location of the interview and meeting. Moreover, local broadcast was also adopted to publicize the information. **Summary** of the stakeholder comments and a summary of how these comments have been taken into account.

- Comments received during GSP shall be considered



Draft Validation Report

- u After several rounds of reply between PP/consultant and DOE, the CARs/CLs and updated PDD **accepted** by validator.
- u Then, these two reports (DVR, PDD) and supporting evidences submitted to **Technical Reviewer (TR)** of the DOE.
- u During the process of Technical Review, **further questions** about the project raised. A reply-check-resubmit procedure followed. It will cost a few weeks.



Final Validation Report

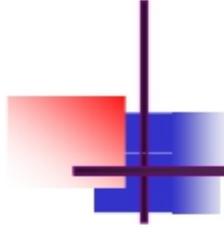


Final
Validation
Report



Final Validation Report

- u In this final phase, all the CARs/CLs were closed, and the updated PDD was accepted by DOE. TR issued the final validation report.
- u The validation report and opinion to the project had been submitted to the client for review.
- u Project participants and consultant checked the consistency of information between FVR and PDD, and raised opinions to the FVR.



Submission

Submission





Submission

- u When submitting the document package to UNFCCC, the project participants confirmed the documents can be made public. If documents must keep confidential, a notification should be sent to DOE.
- u Before submitting, a completeness check had been conducted by DOE according to *Completeness Check checklist* (Version 2.0) issued by EB.

Estimated Timeline of a CDM Validation





Experience in Validation

- u Project participants and project operators should be well trained about CDM knowledge, and familiar with the procedure and requirement.
- u Validation materials and related evidences should be well prepared before the onsite process, which have to keep in consistency with the statements in PDD.
- u DOE should be well cooperated, the questions raised by whom need to be replied actively and promptly.



Experience in Validation

- u **Additionality** of the project is a core issue in CDM, which should be sufficiently expounded. Project participants and consultant must follow the requirements in *Tool for demonstration and assessment of additionality* where the concepts of baseline scenario and additionality are described in detail.
- u Arguments to justify the additionality of the project need to be supported by evidence and/or reference.



Experience in Validation

- u Detailed minutes of stakeholder meeting and records of any local stakeholder processes need to be well kept, which will be justified by DOE at a later stage.
- u When submitting the project to UNFCCC, the consistency between different documents must be checked, i.e. project/entity name, document version, date of actions, etc.



Thank You!
