

## Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: [www.carboncreditquality.org](http://www.carboncreditquality.org)

Criterion:	<a href="#">5.3 Robust third-party auditing</a>
Carbon crediting program:	<a href="#">Clean Development Mechanism (CDM)</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">30 June 2021</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">5</a>

**Contact**  
[info@oeko.de](mailto:info@oeko.de)  
[www.oeko.de](http://www.oeko.de)

**Head Office Freiburg**  
 P. O. Box 17 71  
 79017 Freiburg

**Street address**  
 Merzhauser Straße 173  
 79100 Freiburg  
 Phone +49 761 45295-0

**Office Berlin**  
 Borkumstraße 2  
 13189 Berlin  
 Phone +49 30 405085-0

**Office Darmstadt**  
 Rheinstraße 95  
 64295 Darmstadt  
 Phone +49 6151 8191-0

## Assessment

### Indicator 5.3.1

#### Relevant scoring methodology provisions

“The program requires that accredited third-party validation and verification entities assess the adherence of a project against all program provisions, including whether the design of the activity and the determination of emission reductions or removals conforms with all program provisions. This auditing must take place prior to the issuance of carbon credits.”

#### Information sources considered

- 1 Program website: Designated Operational Entities (<https://cdm.unfccc.int/DOE/index.html>), last accessed on 5 July 2021.
- 2 CDM accreditation standard. CDM-EB46-A02-STAN, Version 07.0, 1 March 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr\\_stan01.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr_stan01.pdf).
- 3 CDM validation and verification standard for project activities, CDM-EB93-A05-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg\\_stan06\\_v03.0.pdf/reg\\_stan06\\_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg_stan06_v03.0.pdf/reg_stan06_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4).
- 4 CDM validation and verification standard for programmes of activities, CDM-EB93-A08-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg\\_stan05\\_v03.0.pdf/reg\\_stan05\\_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1\\_ybWWhWF](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg_stan05_v03.0.pdf/reg_stan05_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1_ybWWhWF)
- 5 CDM project cycle procedure for project activities, CDM-EB93-A06-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC\\_proc03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC_proc03v02.pdf).
- 6 CDM project cycle procedure for programmes of activities, CDM-EB93-A09-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC\\_proc02v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC_proc02v02.pdf).
- 7 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available: [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).

#### Relevant carbon crediting program provisions

- Provision 1 Source 1: “To become a DOE an organisation has to:
- Ensure that it complies with the requirements of the CDM Accreditation Standard for DOE
  - Pay the application fee
  - Submit the required application forms and supporting documentation

- Be assessed by the CDM Assessment Team, CDM Accreditation Panel and CDM EB”

- Provision 2 Source 2, paragraph 4, page 5: “This Standard sets out the requirements applicable to applicant entities (AEs) to become accredited and designated operational entities (DOEs) to remain accredited.”
- Provision 3 Source 7, paragraph 20., page 11: “The Executive Board shall:
- (a) Accredite operational entities which meet the accreditation standards contained in appendix A below;
  - (b) Recommend the designation of operational entities to the COP/MOP;
  - (c) Maintain a publicly available list of all designated operational entities;
  - (d) Review whether each designated operational entity continues to comply with the accreditation standards contained in appendix A below and on this basis confirm whether to reaccredit each operational entity every three years;
  - (e) Conduct spot-checking at any time and, on the basis of the results, decide to conduct the above-mentioned review, if warranted.”
- Provision 4 Source 3, paragraph 19, page 7-8: “In carrying out its validation or verification work, the DOE shall:
- (a) Follow this standard and integrate its provisions into the DOE’s own quality management systems;
  - (b) Apply the most recent applicable decisions and guidance provided by the Board;
  - (c) Determine whether each CDM project activity meets all applicable CDM rules and requirements, including those specified in the “CDM project standard for project activities”, the selected methodologies, the selected standardized baselines and any other standards, methodologies, methodological tools and guidelines applied in accordance with the selected methodologies (hereinafter “any other standards, methodologies, methodological tools and guidelines (to be) applied in accordance with the selected (applied) methodologies” are collectively referred to as the other (applied) methodological regulatory documents);”
- Provision 5 Source 4, paragraph 25, page 11: “The DOE shall conduct a thorough and independent assessment of a proposed CDM project activity against the applicable CDM rules and requirements.”
- Provision 6 Source 4, paragraph 26, page 12: “In carrying out its validation work, the DOE shall:
- (a) Determine whether the proposed CDM project activity complies with the requirements in paragraph 37 of the CDM M&Ps (with the exception of paragraph 37 for CCS CDM project activities), the applicability conditions of the selected methodologies, the selected standardized baselines, the other applied methodological regulatory documents, and guidance provided by the Board
  - (b) Assess the claims and assumptions in the PDD. The evidence used in this assessment shall not be limited to that provided by the project participants.”
- Provision 7 Source 4, paragraph 19, page 10: “In carrying out its validation work, the DOE shall: [...]

- (c) Determine whether each CDM PoA or CPA meets all applicable CDM rules and requirements, including those specified in the “CDM project standard for programmes of activities”, the selected methodologies, the selected standardized baselines and any other standards, methodologies, methodological tools and guidelines applied in accordance with the selected methodologies (hereinafter “any other standards, methodologies, methodological tools and guidelines (to be) applied in accordance with the selected(applied)methodologies” are collectively referred to as the other (applied) methodological regulatory documents);”

Provision 8 Source 5, paragraph 199, page 38: “The DOE, after verifying that the monitored GHG emission reductions or net anthropogenic GHG removals were determined in accordance with all applicable requirements for implementation and monitoring in the “CDM project standard for project activities”, and certifying the quantity of CERs claimed in the monitoring report, by following the applicable provisions of the “CDM validation and verification standard for project activities” and other applicable CDM rules and requirements, shall submit, through a dedicated interface on the UNFCCC CDM website, a request for issuance of CERs by using the “CDM project activity issuance request form” (CDM-ISS-FORM) and all the required documents listed in the completeness check checklist for requests for issuance.”

Provision 9 Source 6, paragraph 200, page 40-41: “The DOE, after verifying that the monitored GHG emission reductions or net anthropogenic GHG removals were determined in accordance with all applicable requirements for implementation and monitoring in the “CDM project standard for programmes of activities”, and certifying the quantity of CERs claimed in the monitoring report, by following the applicable provisions of the “CDM validation and verification standard for programmes of activities” and other applicable CDM rules and requirements, shall submit, through a dedicated interface on the UNFCCC CDM website, a request for issuance of CERs by using the “CDM programme of activities issuance request form” (CDM-PoA-ISS-FORM) and all the required documents listed in the completeness check checklist for requests for issuance.”

### Assessment outcome

Yes (3 Points).

### Justification of assessment

CDM accreditation standard defines the requirements applicant entities must fulfill to become accredited and designated operational entities to remain accredited (Provision 2). Appendix A of the CDM Modalities and procedures defines the standards for the accreditation of operational entities (Provision 3). Provisions 4, 5, 6, and 7 identify that for project activities and PoAs a validation or verification entails a complete review of a project to ensure alignment with CDM requirements. The CDM project cycle procedure for project activities and the CDM project cycle procedure for programmes of activities define the publication of monitoring reports and the reporting of verification status as required pre-issuance activities (Provisions 8 and Provision 9). The indicator is fulfilled.

## Indicator 5.3.2

### Relevant scoring methodology provisions

“Validation and verification entities are accredited by an International Accreditation Forum (IAF) member body or the CDM Executive Board (EB). The eligibility requirements of third- validation and verification entities should be available on the program’s website.”

### Information sources considered

- 1 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available:  
[https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).
- 2 CDM accreditation standard. CDM-EB46-A02-STAN, Version 07.0, 1 March 2018. Available:  
[https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr\\_stan01.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr_stan01.pdf).

### Relevant carbon crediting program provisions

- Provision 1 Source 1, paragraph 20., page 11: “The Executive Board shall:
- (a) Accredite operational entities which meet the accreditation standards contained in appendix A below;”
- Provision 2 Source 2, paragraph 8, page 7: “Designated operational entity (DOE)-an entity designated by the CMP, based on the recommendation by the Board, as qualified to perform validation and/ or verification/ certification functions;”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

Operational entities are accredited by the CDM Executive Board (Provision 2). Appendix A of the CDM Modalities and procedures defines the standards for the accreditation of operational entities. DOE’s are designated by the Executive Board (Provision 1). The indicator is fulfilled.

## Indicator 5.3.3

### Relevant scoring methodology provisions

“The program has in place standards, procedures or guidance that validation and verification entities must comply with in performing their auditing functions (e.g., validation and verification standards and procedures, audit manuals) to ensure consistent auditing practices under the program.”

## Information sources considered

- 1 CDM validation and verification standard for project activities, CDM-EB93-A05-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115752581-reg\\_stan04\\_v03.0.pdf/reg\\_stan04\\_v03.0?t=RFp8cjZ5NmMyfDBPqgxZyqXVwMBhm8hX\\_YGw](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115752581-reg_stan04_v03.0.pdf/reg_stan04_v03.0?t=RFp8cjZ5NmMyfDBPqgxZyqXVwMBhm8hX_YGw)
- 2 CDM validation and verification standard for programmes of activities, CDM-EB93-A08-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115752581-reg\\_stan04\\_v03.0.pdf/reg\\_stan04\\_v03.0?t=RFp8cjZ5NmMyfDBPqgxZyqXVwMBhm8hX\\_YGw](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115752581-reg_stan04_v03.0.pdf/reg_stan04_v03.0?t=RFp8cjZ5NmMyfDBPqgxZyqXVwMBhm8hX_YGw)
- 3 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available: [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).

## Relevant carbon crediting program provisions

- Provision 1 Source 1, paragraph 4, page 5: “The objectives of the “CDM validation and verification standard for project activities” (hereinafter referred to as the standard) are to:
- (a) Enhance consistency and clarity of minimum requirements for CDM validation and verification activities;
  - (b) Improve the quality and consistency in the preparation, execution and reporting of CDM validation and verification activities;
  - (c) Enhance the overall efficiency and integrity of the CDM.”
- Provision 2 Source 1, paragraph 5, page 6: “This standard provides designated operational entities (DOEs) with minimum requirements for validation and verification of a CDM project activity based on the CDM rules and requirements approved by the Board.”
- Provision 3 Source 2, paragraph 4, page 7: “The objectives of the “CDM validation and verification standard for programmes of activities” (hereinafter referred to as the standard) are to:
- (a) Enhance consistency and clarity of minimum requirements for CDM validation and verification activities;
  - (b) Improve the quality and consistency in the preparation, execution and reporting of CDM validation and verification activities;
  - (c) Enhance the overall efficiency and integrity of the CDM.”
- Provision 4 Source 2, paragraph 5, page 8: “This standard provides designated operational entities (DOEs) with minimum requirements for the validation and verification of a programme of activity (PoA) based on the CDM rules and requirements approved by the Board.”
- Provision 5 Source 3, paragraph 37., page 14: “The designated operational entity selected by project participants to validate a project activity, being under a contractual arrangement with them, shall review the project design document and any supporting documentation to confirm that the following requirements have been met:

- (a) The participation requirements as set out in paragraphs 28–30 above are satisfied
- (b) Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity on how due account was taken of any comments has been received
- (c) Project participants have submitted to the designated operational entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party
- (d) The project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43–52 below
- (e) The baseline and monitoring methodologies comply with requirements pertaining to:
  - (i) Methodologies previously approved by the Executive Board; or
  - (ii) Modalities and procedures for establishing a new methodology, as set out in paragraph 38 below
- (f) Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the present annex and relevant decisions of the COP/MOP
- (g) The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the present annex and relevant decisions by the COP/MOP and the Executive Board.”

### **Assessment outcome**

Yes (1 Point).

### **Justification of assessment**

The CDM validation and verification standard for project activities and the CDM validation and verification standard for programmes of activities set out the requirements for validation and verification that designated operational entities (DOEs) must comply with (Provisions 1 to Provision 4). The CDM Modalities and procedures contain the modalities and procedures for validation and registration, monitoring and verification, and certification that DOE’s must follow (Provision 5) and the subsequent Paragraphs 35-63. The indicator is fulfilled.

### **Indicator 5.3.4**

#### **Relevant scoring methodology provisions**

“The validation and verification entities’ auditing functions extend to the review of stakeholder consultations by evaluating whether public comments have been duly considered by the project.”

## Information sources considered

- 1 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available: [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).
- 2 CDM validation and verification standard for project activities, CDM-EB93-A05-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg\\_stan06\\_v03.0.pdf/reg\\_stan06\\_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg_stan06_v03.0.pdf/reg_stan06_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4).
- 3 CDM validation and verification standard for programmes of activities, CDM-EB93-A08-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg\\_stan05\\_v03.0.pdf/reg\\_stan05\\_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1\\_ybWWWhWF](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg_stan05_v03.0.pdf/reg_stan05_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1_ybWWWhWF)

## Relevant carbon crediting program provisions

- Provision 1 Source 1, paragraph 37., page 14: “The designated operational entity selected by project participants to validate a project activity, being under a contractual arrangement with them, shall review the project design document and any supporting documentation to confirm that the following requirements have been met: [...]
- (b) Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity on how due account was taken of any comments has been received.”
- Provision 2 Source 2, paragraph 254, page 46: “The DOE shall determine whether authentic and relevant comments in the global stakeholder consultation were taken into due account in the PDD of the proposed CDM project activity.”
- Provision 3 Source 2, paragraph 264, page 47: “The DOE shall report the details of the actions taken to: [...]
- (c) Take due account of the authentic and relevant comments, including dates of receipt, responses by the project participants and responses by the DOE.”
- Provision 4 Source 2, paragraph 392, page 71: “The DOE shall take due account of all authentic and relevant comments in the verification for the first request for issuance of CERs.”
- Provision 5 Source 3, section 7.14, page 33: “The DOE shall report the details of the actions taken to: [...]
- (c) Take due account of the authentic and relevant comments, including dates of receipt, responses by the coordinating/managing entity and responses by the DOE.”
- Provision 6 Source 3, paragraph 369, page 70: “The DOE shall take due account of all authentic and relevant comments in the verification for the first request for issuance of CERs. If multiple separate monitoring reports for the first monitoring period for the PoA are prepared in accordance with the "CDM project standard for programmes of activities",



the DOE shall take due account of all authentic and relevant comments in the verification for the first request for issuance of CERs for each batch.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

## Indicator 5.3.5

### Relevant scoring methodology provisions

“The program has in place provisions which restrict a project owner’s use of the same validation and verification entity. These restrictions, sometimes referred to as “rotation” provisions, may limit the frequency of audits (e.g., if an auditor provided the initial verification, then that auditor may not provide the subsequent verification), the total number of audits (e.g., an auditor may only perform verification for six consecutive years of the project, thereafter another auditor must perform verification), or the types of audits which may be performed by the same entity for the same project (e.g., if an auditor performed the validation, another auditor must perform verification). Programs may provide exceptions to such provisions as long as such exceptions are only granted in circumstances specified by the program. For example, geographic scarcity of auditors may necessitate the use of the same auditor for multiple verifications.”

### Information sources considered

- 1 CDM validation and verification standard for project activities, CDM-EB93-A05-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg\\_stan06\\_v03.0.pdf/reg\\_stan06\\_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115831132-reg_stan06_v03.0.pdf/reg_stan06_v03.0?t=eIJ8cjZzcGhhfDDpyrBdX9L-PckQDoMt6cC4).
- 2 CDM project cycle procedure for project activities, CDM-EB93-A06-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC\\_proc03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC_proc03v02.pdf).
- 3 CDM validation and verification standard for programmes of activities, CDM-EB93-A08-STAN, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg\\_stan05\\_v03.0.pdf/reg\\_stan05\\_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1\\_ybWWWhWF](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20210921115807267-reg_stan05_v03.0.pdf/reg_stan05_v03.0?t=YzV8cjZzd2xmfDBswWWQCDnixnX1_ybWWWhWF)
- 4 CDM project cycle procedure for programmes of activities, CDM-EB93-A09-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC\\_proc02v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC_proc02v02.pdf).

### Relevant carbon crediting program provisions

Provision 1 Source 1, paragraph 313, page 55-56: “If the DOE has performed a validation activity (including for renewal of crediting period) for the registered CDM project activity and

wishes to perform verification for the same project activity, it shall obtain authorization to do so from the Board in accordance with the “CDM project cycle procedure for project activities”. However, the same DOE may perform verification without obtaining authorization from the Board to do so for:

- (a) A registered small-scale CDM project activity and a registered small-scale A/R CDM project activity for which it has performed the validation activity;
- (b) Any registered CDM project activity for which it has performed the validation of post-registration changes.”

Provision 2 Source 2, paragraph 275, page 50: “The project participants shall submit the new version of the PDD to a DOE for its validation. For this purpose, the project participants may not appoint a DOE that has performed verification for the same registered CDM project activity unless the project activity is a small-scale one or the DOE is authorized by the Board to do so in accordance with section 7.1 above.”

Provision 3 Source 2, paragraph 179, page 34: “For verification of the implementation of a registered CDM project activity and monitored GHG emission reductions or net anthropogenic GHG removals, the project participants should select a DOE that has not performed a validation activity for the same project activity (including for registration and renewal of the crediting period, with the exception of post-registration changes). If the DOE has performed a validation activity for the project activity and wishes to perform verification for the same project activity, it shall submit a request for authorization to do so from the Board by completing the “Validation and verification by same DOE authorization request form” (CDM-VV-FORM) to the secretariat.”

Provision 4 Source 2, paragraph 180, page 35: “When submitting the request for authorization, the DOE shall justify that it would be reasonable for it to do the verification, and attach any relevant information for the justification. Such information shall include, but not be limited to:

- (a) A demonstration that there is a barrier to accessing validation/verification services of DOEs in the host country of the registered CDM project activity based on, for example, the number of requests for registration and issuance submitted for the CDM project activities and programmes of activities (PoAs) hosted by that country over the last 12 months in that country;
- (b) Specific measures that the DOE will implement to safeguard its impartiality and integrity in undertaking the verification, including, at a minimum, the exclusion from the verification of those individuals who participated in the validation as a member of the validation team or technical review team, and the evaluation of the impartiality and conflict of interest of the individuals that will participate in the verification.”

Provision 5 Source 2, paragraph 181, page 35: “The Board shall decide on the request, taking into account any potential impacts that such a decision could have on the outcome of the verification. The Board may analyse whether the DOE has provided evidence that it will implement measures to safeguard the impartiality and integrity in undertaking the verification, and any other specific circumstances that would justify the

authorization of the Board, such as the barriers to access other DOEs to perform the verification.”

- Provision 6 Source 2, paragraph 182, page 35: “The requirement in paragraph 179 above shall not apply to small-scale CDM project activities or small-scale A/R CDM project activities. For these project activities, a DOE may perform both validation and verification activities for the same project activity without having been authorized to do so by the Board.”
- Provision 7 Source 3, paragraph 293, page 54: “If the DOE has performed validation for registration or renewal of PoA period of the PoA, or for inclusion or renewal of crediting period of any of the CPAs covered by the verification, and wishes to perform verification for the same PoA, it shall obtain authorization to do so from the Board in accordance with the “CDM project cycle procedure for programmes of activities”. The same DOE may perform verification without obtaining authorization from the Board to do so for a registered PoA for which it has performed validation of post-registration changes to the PoA or any of the CPAs covered by the verification.”
- Provision 8 Source 4, paragraph 203, page 37: “For verification of the implementation of a registered CDM PoA and monitored GHG emission reductions or net anthropogenic GHG removals, the coordinating/managing entity or the project participants should select a DOE that has not performed a validation activity for the same PoA (including for registration of the PoA, renewal of the PoA period and inclusion and renewal of crediting period of the CPAs covered by the verification, with the exception of post-registration changes to the PoA or to CPAs under the PoA). If the DOE has performed a validation activity for the PoA and wishes to perform verification for the same PoA, it shall submit a request for authorization to do so from the Board by completing the “Validation and verification by same DOE authorization request form” (CDM-VV-FORM) to the secretariat.”
- Provision 9 Source 4, paragraph 204, page 38: “When submitting the request for authorization, the DOE shall justify that it would be reasonable for it to do the verification, and attach any relevant information for the justification. Such information shall include, but not be limited to:
- (a) A demonstration that there is a barrier to accessing validation/verification services of DOEs in the host country of the registered CDM PoA based on, for example, the number of requests for registration and issuance submitted for the CDM project activities and PoAs hosted by that country over the last 12 months in that country;
  - (b) Specific measures that the DOE will implement to safeguard its impartiality and integrity in undertaking the verification, including, at a minimum, the exclusion from the verification of those individuals who participated in the validation as a member of the validation team or technical review team, and the evaluation of the impartiality and conflict of interest of the individuals that will participate in the verification.”
- Provision 10 Source 4, paragraph 205, page 38: “The Board shall decide on the request, taking into account any potential impacts that such a decision could have on the outcome of the verification. The Board may analyse whether the DOE has provided evidence that

it will implement measures to safeguard the impartiality and integrity in undertaking the verification, and any other specific circumstances that would justify the authorization of the Board, such as the barriers to access other DOEs to perform the verification.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The default policy and guidance for the CDM program appears to be that projects and PoAs should use separate DOE’s for validation and verification of the same activities (Provisions 2, Provision 3, and 8). It appears that there is a process for seeking exemptions from this default guideline, via the approval of the Executive Board (Provisions 1 and Provision 10).

### Indicator 5.3.6

#### Relevant scoring methodology provisions

“The program provisions as set out in the standards, procedures or guidance for validation and verification entities, or otherwise indicated in the normative program documents, require that audit reports from validation and verification entities include at least:

- Details of audit dates
- Locations and scope of auditing
- The team composition of the validation and verification body
- Main findings
- Corrective action requests.”

#### Information sources considered

- 1 CDM validation and verification standard for project activities. CDM-EB93-A05-STAN. Version 02.0. 29 November 2018. Available: <https://cdm.unfccc.int/Reference/Standards/index.html>.
- 2 CDM validation and verification standard for programmes of activities. CDM-EB93-A08-STAN. Version 02.0. 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg\\_stan03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092036152/Reg_stan03v02.pdf).
- 3 Clean Development Mechanism Validation and Verification Manual, Version 01, 28 November 2008. Available: [https://cdm.unfccc.int/Reference/Manuals/accr/accr\\_man01.pdf](https://cdm.unfccc.int/Reference/Manuals/accr/accr_man01.pdf).

#### Relevant carbon crediting program provisions

Provision 1 Source 1, paragraph 21, page 9: “The DOE contracted to conduct validation for registration of a proposed CDM project activity, post-registration changes or renewal

of the crediting period of a registered CDM project activity shall prepare a validation report using the valid version of the relevant validation report form.”

- Provision 2 Source 1, paragraph 22, page 9: “The DOE contracted to conduct verification and certification for the implementation of the registered CDM project activity and monitored greenhouse gas (GHG) emission reductions or net anthropogenic GHG removals shall prepare a verification and certification report using the valid version of the relevant verification and certification report form.”
- Provision 3 Source 1, paragraph 23: “When completing a validation or verification and certification report form, the DOE shall follow the instructions therein.”
- Provision 4 Source 2, paragraph 21, page 11: “The DOE contracted to conduct validation for registration of a proposed CDM PoA, post-registration changes, renewal of PoA period of a registered CDM PoA, or inclusion of CPAs in a registered CDM PoA shall prepare a validation report using the valid version of the relevant validation report form.”
- Provision 5 Source 2, paragraph 22, page 11: “The DOE contracted to conduct verification and certification for the implementation of the registered CDM PoA or included CPAs and monitored greenhouse gas (GHG) emission reductions or net anthropogenic GHG removals shall prepare a verification and certification report using the valid version of the relevant verification and certification report form.”
- Provision 6 Source 2, paragraph 23: “When completing a validation or verification and certification report form, the DOE shall follow the instructions therein.”
- Provision 7 Source 3, paragraph 165., page 31: “The report shall:
- (a) State the DOE’s conclusions regarding the proposed CDM project activity’s conformity with applicable CDM requirements;
  - (b) Give an overview of the validation activities carried out by the DOE in order to arrive at the final validation conclusions and opinion, including a general discussion of details captured by the validation protocol and conclusions related to CDM requirements;
  - (c) Reflect the results of the dialogue between the DOE and the project participants, as well as any adjustments made to the project design following stakeholder consultation. It shall reflect the responses to CARs and CLs, and discussions on and revisions to project documentation.”
- Provision 8 Source 3, paragraph 166: “The validation report shall provide at least the following:
- (a) A summary of the validation process and its conclusions;
  - (b) All the DOE’s applied approaches, “findings and conclusions, especially on: baseline selection, additionality, emission factors and monitoring”; [footnote: [http://cdm.unfccc.int/Reference/Procedures/reg\\_proc05\\_v01.pdf](http://cdm.unfccc.int/Reference/Procedures/reg_proc05_v01.pdf)]
  - (c) Information on the global stakeholders consultation carried out by the DOE prior to submitting the project for validation, including dates and how comments received have been taken into consideration by the DOE;

- (d) A list of interviewees and documents reviewed;
- (e) Details of the validation team;
- (f) Information on quality control within the team/of the validation process;
- (g) Appointment certificates or curricula vitae of the DOE's validation team members."

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The CDM requirements for VVB reports identify all required elements (Provision 7 and Provision 8). The indicator is therefore fulfilled.

### Indicator 5.3.7

#### Relevant scoring methodology provisions

"The program has procedures in place to perform oversight of the validation and verification entities that have been approved under the program. Oversight should include review of individual project validation or verification reports and systematic monitoring of the validation and verification entity's job performance."

#### Information sources considered

- 1 Procedure: CDM Accreditation procedure. CDM-EB05-A02-PROC. Version 16.0. Available: [https://cdm.unfccc.int/filestorage/e/x/t/extfile-20220314132614174-Accr\\_Proc01.pdf/Accr\\_Proc01.pdf?t=MTR8cmJrc2x1fDBRTuDzDJ6F3PNcEFTns74](https://cdm.unfccc.int/filestorage/e/x/t/extfile-20220314132614174-Accr_Proc01.pdf/Accr_Proc01.pdf?t=MTR8cmJrc2x1fDBRTuDzDJ6F3PNcEFTns74)
- 2 Procedure: Performance monitoring of designated operational entities. CDM-EB58-A01-PROC. Version 04.0. 12 June 2020. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr\\_proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr_proc02.pdf).

#### Relevant carbon crediting program provisions

Provision 1 Source 2, paragraph 6, page 4-5: "The results of the DOE performance monitoring are communicated in the following ways to DOEs, the CDM-AP and the Board.

- (a) Reporting to DOEs on their performance with the three main objectives:
  - (i) Providing feedback on their performance with relevant information that would allow them to conduct a root-cause analysis of the deficiencies in their validation/verification work;
  - (ii) Informing DOEs of their performance and level of their performance indicators so that they are aware whether the thresholds have been reached or are about to be reached;

- (iii) Informing DOEs of whether any further action has been decided on
- (b) Reporting to the CDM-AP to provide information for its informed decision-making in accordance with the CDM accreditation procedure;
- (c) Reporting to the Board as the final decision-making body to provide it with all relevant data for its decision-making in accordance with the CDM accreditation procedure as well as to allow the Board to make system-wide improvement.”

### **Assessment outcome**

Yes (1 Point).

### **Justification of assessment**

The CDM accreditation procedure includes various elements of oversight of DOEs (Source 1). In addition, the CDM Performance monitoring of designated operational entities procedure provides for systematic monitoring of the performance of DOEs (Provision 1). The indicator is therefore fulfilled.

### **Indicator 5.3.8**

#### **Relevant scoring methodology provisions**

“The program has procedures in place for reporting identified non-compliances to the validation and verification entity and its accreditation body(ies).”

#### **Information sources considered**

- 1 Procedure: Performance monitoring of designated operational entities. CDM-EB58-A01-PROC. Version 04.0. 12 June 2020. Available:  
[https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr\\_proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr_proc02.pdf).

#### **Relevant carbon crediting program provisions**

Provision 1 Source 1, paragraph 6, page 4-5: “The results of the DOE performance monitoring are communicated in the following ways to DOEs, the CDM-AP and the Board.

- (d) Reporting to DOEs on their performance with the three main objectives:
  - (iv) Providing feedback on their performance with relevant information that would allow them to conduct a root-cause analysis of the deficiencies in their validation/verification work;
  - (v) Informing DOEs of their performance and level of their performance indicators so that they are aware whether the thresholds have been reached or are about to be reached;
  - (vi) Informing DOEs of whether any further action has been decided on

- (e) Reporting to the CDM-AP to provide information for its informed decision-making in accordance with the CDM accreditation procedure;
- (f) Reporting to the Board as the final decision-making body to provide it with all relevant data for its decision-making in accordance with the CDM accreditation procedure as well as to allow the Board to make system-wide improvement.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The CDM procedure for performance monitoring of designated operational entities provides for reports to the designated operational entities as well as the CDM-AP and Board to inform the accreditation process and determinations (Provision 1). Given that the Board is the accreditation body, this provision meets the requirements of the indicator.

### Indicator 5.3.9

#### Relevant scoring methodology provisions

“The accreditation bodies recognized by the carbon crediting program, or the carbon crediting program if it itself accredits validation and verification entities, have monitoring procedures in place to regularly assess the performance of validation and verification entities in providing auditing services to the relevant carbon crediting program (e.g. through regular accreditation surveillance, requirements for re-accreditation).”

#### Information sources considered

- 1 CDM accreditation standard. CDM-EB46-A02-STAN. Version 07.0. 1 March 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr\\_stan01.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr_stan01.pdf).
- 2 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available: [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).
- 3 Procedure: Performance monitoring of designated operational entities. CDM-EB58-A01-PROC. Version 04.0. 12 June 2020. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr\\_proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr_proc02.pdf).

#### Relevant carbon crediting program provisions

Provision 1 Source 1, paragraph 21, page 9: “A DOE shall establish, document, implement and maintain a procedure for monitoring the performance of its validation and/or verification/certification personnel to ensure appropriate performance and that their competence is maintained.”



- Provision 2 Source 2, paragraph 20, page 11: “The Executive Board shall:
- (a) Accredite operational entities which meet the accreditation standards contained in appendix A below;
  - (b) Recommend the designation of operational entities to the COP/MOP;
  - (c) Maintain a publicly available list of all designated operational entities;
  - (d) Review whether each designated operational entity continues to comply with the accreditation standards contained in appendix A below and on this basis confirm whether to reaccredit each operational entity every three years;
  - (e) Conduct spot-checking at any time and, on the basis of the results, decide to conduct the above-mentioned review, if warranted.”
- Provision 3 Source 3, paragraph 6, page 4-5: “The results of the DOE performance monitoring are communicated in the following ways to DOEs, the CDM-AP and the Board.
- a) Reporting to DOEs on their performance with the three main objectives:
    - (i) Providing feedback on their performance with relevant information that would allow them to conduct a root-cause analysis of the deficiencies in their validation/verification work;
    - (ii) Informing DOEs of their performance and level of their performance indicators so that they are aware whether the thresholds have been reached or are about to be reached;
    - (iii) Informing DOEs of whether any further action has been decided on
  - b) Reporting to the CDM-AP to provide information for its informed decision-making in accordance with the CDM accreditation procedure;
  - c) Reporting to the Board as the final decision-making body to provide it with all relevant data for its decision-making in accordance with the CDM accreditation procedure as well as to allow the Board to make system-wide improvement.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The CDM has procedures in place to regularly assess the performance of its accredited validation and verification entities.

### Indicator 5.3.10

#### Relevant scoring methodology provisions

“The program has procedures in place for program personnel to perform their own quality control reviews of individual projects seeking registration and carbon credit issuance requests. Examples of quality control reviews of project compliance may include desk reviews of submitted project documentation, interviews with project owners, and/or in-person site visits.”

## Information sources considered

- 1 CDM project cycle procedure for project activities, CDM-EB93-A06-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC\\_proc03v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092024737/PC_proc03v02.pdf).
- 2 CDM project cycle procedure for programmes of activities, CDM-EB93-A09-PROC, Version 02.0, 29 November 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC\\_proc02v02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20181221092012422/PC_proc02v02.pdf).

## Relevant carbon crediting program provisions

- Provision 1 Source 1, paragraph 77, page 18: “The secretariat shall commence the completeness check stage in accordance with the schedule. Upon commencement of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within seven days a completeness check to determine whether the request for registration submission is complete in accordance with the completeness check checklist for requests for registration.”
- Provision 2 Source 1, paragraph 88, page 20: “Any Party involved in the proposed CDM project activity and any member of the Board may request a review of the request for registration within 28 days of the date of publication of the request for registration. If a Party involved wishes to request a review, the relevant DNA shall send the request by e-mail to the secretariat, using the “CDM project activity/programme of activities registration request review form” (CDM-REGRFORM). If a member of the Board wishes to request a review, he/she shall communicate the request to the Board through the secretariat, using the same form and in accordance with appendix 2.”
- Provision 3 Source 1, paragraph 89, page 20: “The secretariat shall acknowledge receipt of a request for review and promptly make it available to the Board.”
- Provision 4 Source 1, paragraph 95, page 21: “If a Party involved in the proposed CDM project activity, or at least three members of the Board, request a review of the request for registration, the secretariat shall:
- (a) Notify the project participants, and the DOE that validated the project activity, that a Party involved in the project activity, or at least three members of the Board, have requested a review of the request for registration;
  - (b) Mark the request for registration as “under review” on the UNFCCC CDM website and make publicly available an anonymous version of each “CDM project activity/programme of activities registration request review form” (CDM-REGRFORM);
  - (c) Establish a team comprising two experts selected from the Registration and Issuance Team (RIT Team) to conduct an assessment of the request for review. The secretariat shall appoint one of the RIT Team members to serve as the lead, who shall be responsible for all communications with the secretariat.”
- Provision 5 Source 1, paragraph 207, page 39: “The secretariat shall commence the completeness check stage in accordance with the schedule. Upon commencement of

the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within seven days a completeness check to determine whether the request for issuance submission is complete in accordance with the completeness check checklist for requests for issuance.”

Provision 6 Source 1, paragraph 210, page 39-40: “Upon positive conclusion of the completeness check stage, the secretariat shall, subject to the guidance of the Board, conduct within 23 days an information and reporting check in accordance with the information and reporting checklist for requests for issuance.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The CDM validation and verification standards for project activities contain procedures for program personnel to perform their own quality control reviews for registration requests that include completeness checks (Provision 1) and upon requested review (Provisions 2 to Provision 5) and through processing requests for credit issuance (Provision 5 and Provision 6). The same provisions exist within the CDM project cycle procedure for programmes of activities. The indicator is therefore fulfilled.

### Indicator 5.3.11

#### Relevant scoring methodology provisions

“The program and/or the accreditation bodies recognized by the program have procedures in place to apply sanctions against validation and verification entities in cases of performance issues, including suspension or increased oversight (e.g. spot checks). Sanctions could be in response to accreditation lapses or other non-compliances identified by the program.”

#### Information sources considered

- 1 Annex 1, Procedure for Accrediting Operational Entities by the Executive Board of the Clean Development Mechanism. Version 08. September 2007. Available: [https://cdm.unfccc.int/EB/034/eb34\\_repan01.pdf](https://cdm.unfccc.int/EB/034/eb34_repan01.pdf).
- 2 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. 30 March 2006. Available: [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).

#### Relevant carbon crediting program provisions

Provision 1 Source 1, paragraph 82, page 16: “The team leader may identify areas found to be not complying with the requirements by raising the non-conformities (F-CDM-NC) and/or observations (F-CDM-NC).”

- Provision 2 Source 1, paragraph 83, page 16: “The team leader, after completion of the regular surveillance visit, shall have eight (8) working days to prepare the draft assessment report (F-CDM-SUR).”
- Provision 3 Source 1, paragraph 84, page 16: “The DOE shall have six (6) days to provide comments on the draft assessment report.”
- Provision 4 Source 1, paragraph 85, page 16: “The DOE, after the receipt of the draft assessment report, shall have fifteen (15) days to identify corrective actions to resolve non-conformities, using the nonconformity form (F-CDM-NC). All actions identified shall be completed within one (1) month, after receipt of the draft assessment report, and verified. If actions are not completed within one (1) month, the CDM-AT shall finalise the assessment report for the consideration of the CDM-AP.”
- Provision 5 Source 1, paragraph 86, page 16: “The team leader shall submit the final report to the CDM-AP for its consideration. The CDM-AP shall inform the DOE about the outcome of the surveillance.”
- Provision 6 Source 1, paragraph 87, page 17: “The CDM-AP, based on the gravity of NCs and the CDM AT reports on the regular surveillance visit, may recommend to the Board to:”
- (a) Trigger a spot-check for the DOE;
  - (b) Provisionally suspend the DOE.”
- Provision 7 Source 2, paragraph 21, page 11: “The Executive Board may recommend to the COP/MOP to suspend or withdraw the designation of a designated operational entity if it has carried out a review and found that the entity no longer meets the accreditation standards or applicable provisions in decisions of the COP/MOP. The Executive Board may recommend the suspension or withdrawal of designation only after the designated operational entity has had the possibility of a hearing. The suspension or withdrawal is with immediate effect, on a provisional basis, once the Executive Board has made a recommendation, and remains in effect pending a final decision by the COP/MOP. The affected entity shall be notified, immediately and in writing, once the Executive Board has recommended its suspension or withdrawal. The recommendation by the Executive Board and the decision by the COP/MOP on such a case shall be made public.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

Provision 1 to Provision 6 identify the process for conducting surveillance on DOEs and reporting findings to the both the DOE and the Executive Board (Provision 1 to Provision 6). The CDM Modalities and procedures specify the procedures for the suspension or withdrawal of accreditation of a designated operational entity at the determination of the Executive Board (Provision 7). The indicator is fulfilled.

## Scoring results

According to the above assessment, the carbon crediting program receives 13 out of 13 achievable points. Applying the scoring approach of the methodology, this results in a score of 5.