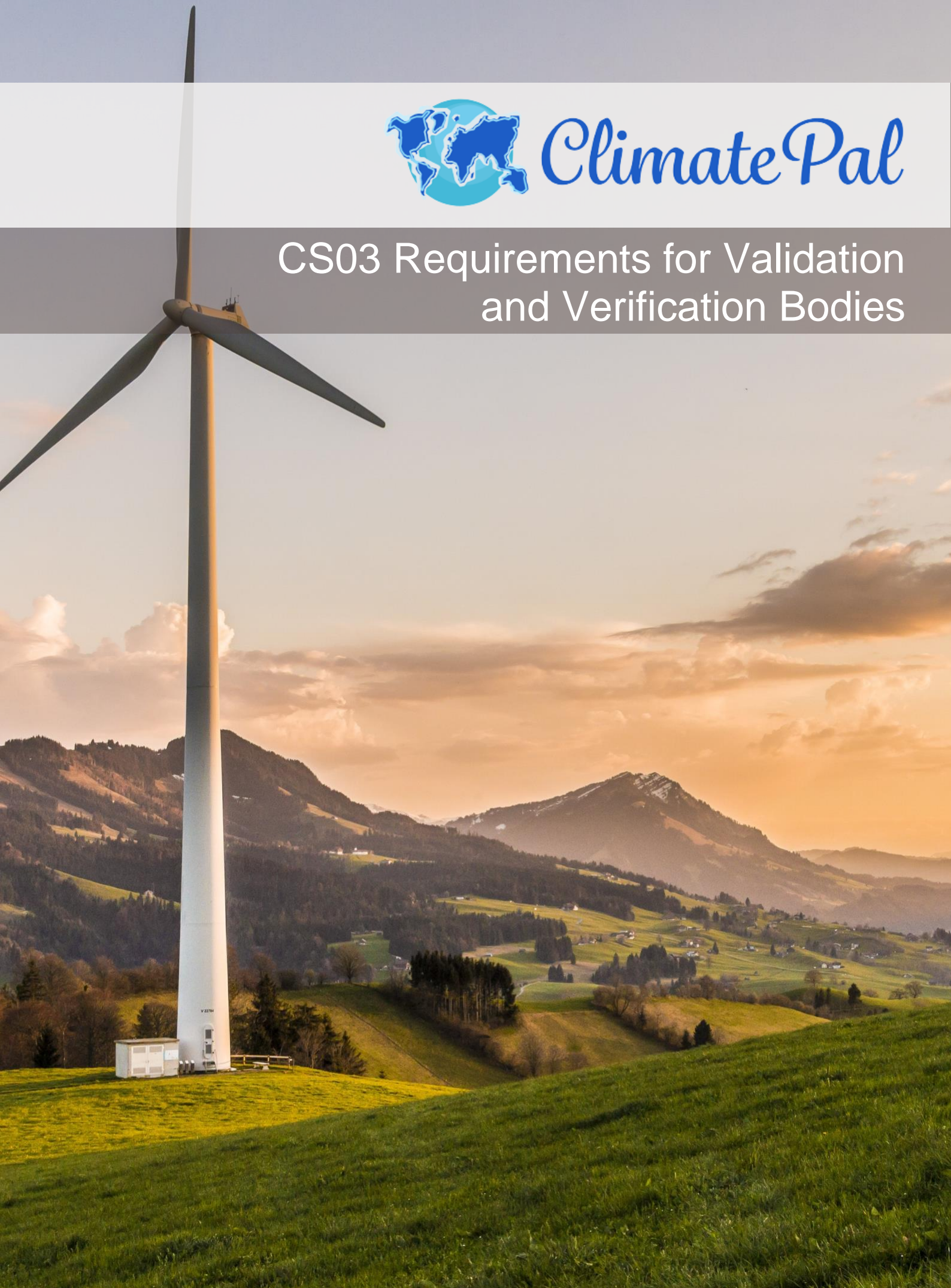





ClimatePal

CS03 Requirements for Validation and Verification Bodies





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Acronyms

DOE	Designed Operational Entity
IAF	International Accreditation Forum
ICVCM	Integrity Council for the Voluntary Carbon Market
ISO	International Organization for Standardization
GHG	Greenhouse Gas
PDD	Project Design Document
PP	Project Proponent
VVB	Validation and Verification Body
UNFCCC	United Nations Framework Convention on Climate Change

1 Introduction

Third-party validation and verification play a critical role to ensure that greenhouse gas (GHG) emissions mitigation take place on the ground. ClimatePal does not conduct validation or verification. To ensure independence and to avoid conflicts of interest, ClimatePal requires external third-party audits. ClimatePal-approved Validation and Verification Bodies (VVBs) are eligible to provide validation/verification services to Project Proponents (PP).

Validation and verification

This document lays down the requirements for VVBs to become approved under ClimatePal, and the duties of approved VVBs. This document also determines how ClimatePal oversees the work of the approved VVBs. Furthermore, this document presents the requirements for and necessary qualifications of the validation and verification team and auditors. It is done with the aim to ensure that VVBs and auditors are neutral and independent and operate in a consistent, transparent, reliable, and credible manner. The requirements and duties listed in this document were developed based on the best practices, including relevant International Organization for Standardization (ISO) standards, other international carbon crediting standards and aligned with the Integrity Council for the Voluntary Carbon Market (ICVCM) principles.

Scope of the document

An up-to-date list of all ClimatePal-recognised VVBs is available on the ClimatePal website.

Approved VVBs

2 Terms and Definitions

Validation: Systematic, independent and documented process for the evaluation of a GHG assertion related to a GHG project plan against agreed validation criteria.¹

Verification: Systematic, independent, and documented process for the evaluation of a GHG assertion against agreed verification criteria.¹

Validation or Verification Body: Body that performs validations or verifications of GHG assertions in accordance with ISO 14065.¹

Validation and verification criteria: Policy, procedure or requirement used as a reference against which evidence is compared.²

3 Scope

The requirements specified in this document apply to all VVBs conducting validation and verification services under ClimatePal. The requirements apply globally.

Application

¹ Adopted from ISO 14065

² Adopted from ISO 14064-3

4 Requirements for Validation and Verification Bodies

4.1 General Requirements

The VVB must ensure they can provide the appropriate expertise and experience for the validation/verification tasks in the relevant carbon credit project activity type.

The VVB should be carrying out audits in conformance with or according to the principles of ISO 14064-3 establishing specification with guidance for the validation and verification of greenhouse gas assertions and ISO 19011 guidelines for quality and/or environmental management systems auditing. The additional general guidance of the validation/verification procedure for ClimatePal can be found in Annex B.

Principles to carry out audits

4.2 Legal Registration


The VVB shall be registered under applicable national or international law.

Legal function

4.3 Accreditation

The following accreditations are recognized by ClimatePal as part of the eligibility criteria required to become a VVB:

Accreditation

 ISO 14065 for Greenhouse Gases — Requirements for greenhouse gas Validation and Verification Bodies for use in accreditation or other forms of recognition and ISO 14066 for Greenhouse gases — Competence requirements for greenhouse gas validation teams and verification teams. Accreditation must be performed by a national accreditation body that is a member of the International Accreditation Forum (IAF); or

 UNFCCC accreditation (Designed Operational Entity (DOE) status).

If a VVB loses or does not renew its accreditation it must immediately notify ClimatePal and any involved PP. An involved Project Proponent should choose another VVB and ensure in time validation/verification of a carbon credit project.

Accreditation loss

4.4 Independence, Impartiality and Confidentiality

The VVB and its auditors must be impartial and free of conflicts of interest. Evaluations and decisions must be based on objective evidence of conformity (or non-conformity) and must not be influenced by other interests or by other parties. All VVB staff, especially auditors, must operate at high levels of

Professional integrity

professional integrity and be free from commercial, financial, or other pressures that might affect their judgment. The VVB must establish documented procedures to appropriately determine and manage conflicts of interest. Auditors must be independent of the activity being audited.

Information relating to ClimatePal certification including related documentation will be treated confidentially unless required by ClimatePal, by law or by regulations from the national public authorities.

Confidentiality

5 Approval Process

The VVB submits an application to become recognised by ClimatePal. Together with the application, the VVB must provide evidence of its accreditation (e.g., by submitting the certificate of accreditation) and other documents listed in Annex A. If ClimatePal has received sufficient evidence from the applying VVB, ClimatePal will provide a Cooperation Agreement to the VVB. The Cooperation Agreement is a legally binding contract establishing the cooperation between the ClimatePal and the applying VVB. The Cooperation Agreement must be accepted and signed by both the VVB and by ClimatePal. Once both parties have signed the Cooperation Agreement, the VVB is recognised by ClimatePal.

*Application and
recognition*

As soon as the cooperation between ClimatePal and the VVB is established, ClimatePal will publish the name, address, contact details and logo of the ClimatePal-recognised VVB on the website. The information on the ClimatePal website regarding recognised VVBs will be publicly available and kept up to date.

*ClimatePal
website*

A VVB's status is valid for a period of 2 years from the date of approval. Prior to expiration, the VVB shall re-submit the full application. An application for re-approval shall be submitted no later than 4 weeks prior to the end of the 2 years period.

Validity

6 Duties and Responsibilities of VVBs and Auditors

6.1 Appointment of a Contact Person

The VVB must appoint one auditor within the VVB to act as the main contact person for ClimatePal. The contact person should participate in the regular meetings organised by ClimatePal for recognised VVBs to exchange practical experiences, feedback, and examples for best practices. The contact person is also responsible for informing all relevant members of staff within the VVB about updates and amendments to any aspects relevant to the certification process as indicated by ClimatePal.

*ClimatePal
contact person*

6.2 Training for Auditors

Before an auditor can start to conduct ClimatePal validation/verification, the VVB must ensure that the auditor has participated in any mandatory ClimatePal Trainings.

Participation in trainings

The VVB is responsible for ensuring that auditors participate in ClimatePal Trainings at least every 3 years to ensure competence. ClimatePal monitors the training status of the auditors conducting validation/verification under ClimatePal. The VVB must ensure that the auditors performing third party audits receive and understand the recent updates, adjustments, or changes of ClimatePal requirements, as well as other relevant communications from ClimatePal which are relevant to auditors.

Maintaining competence

The VVB must maintain appropriate records of the education, training, skills and experience of each auditor working for the VVB to ensure competency from one year to the next.

Documentation

6.3 Set-up of an Audit Team and Rotation Time

The Validation and Verification Body shall have a process in place for selecting and appointing the audit team. For each validation/verification conducted by the VVB, the team shall be defined in the validation or verification report. The audit team must consist of at least two auditors, one of them performing audit lead functions. The VVB must ensure that the audit team has the appropriate specific skills required for conducting the specific audit with regards to the relevant project activity. ClimatePal cannot put a veto on the team appointed to perform validations/verifications but reserves the right to comment on the appropriateness and experience of the chosen VVB team.

Set up of an audit team



The VVB shall have procedures in place to ensure that the same auditor does not conduct audits of the same project for two consecutive years.

Rotation of the auditor

6.3.1 Requirements for Auditors and Validation and Verification Team

The VVB is responsible for arranging and ensuring that auditors working for the VVB qualify for the activities they perform and that they comply with the requirements laid down in this document before any validation/verification activities are conducted. Thus, before starting the validation/verification activity, VVB must make sure that auditors and validation/verification team comply with the qualification requirements listed below:

Requirements for all auditors and team

-  Technical knowledge and a good understanding of the validated/verified activities;
-  Knowledge and understanding of applicable ClimatePal specific requirements, processes and procedures;

- 🌐 A verification/certification team shall collectively have the knowledge of quality or environmental management systems (e.g., ISO 9001 and 14001);
- 🌐 Knowledge of GHG accounting and monitoring;
- 🌐 Good proficiency in English and working language skills in the corresponding native/working language;
- 🌐 Personal and professional behaviour in the sense of ISO 19011 (e.g., ethical, open-minded, diplomatic, observant, culturally sensitive, etc.);
- 🌐 Auditors are not permitted to make ultimate certification decisions regarding audits they have performed themselves;
- 🌐 The team conducting audits must have at least one expert or lead auditor who has participated in ClimatePal training;
- 🌐 At least one auditor from the team should have knowledge about the economy, geography, climate, culture, and social conditions of the project host country.

6.4 Quality Evaluation

One of ClimatePal's main values is constant improvement. Therefore, ClimatePal aims to accelerate the development of VVB capabilities and improve the quality and efficiency of certification under the ClimatePal. Thus, recognised VVBs are obliged to submit an annual evaluation report to ClimatePal. This report must include the number of audits conducted by the VVB during one calendar year, a summary of significant non-conformities, corrective actions and risks which have been detected during audits, and the status of the VVB's recognition or accreditation. ClimatePal is entitled to use this information for necessary reasons.

*Annual
evaluation*

6.5 Documentation

VVBs must properly document all ClimatePal audits. The validation/verification report along with the validation/verification opinions should be submitted to ClimatePal. The template of validation/verification report is available on the ClimatePal website.

*Validation/
verification
report*

The VVB is obliged to immediately inform ClimatePal of any unsuccessful audits.

Reporting

6.6 Fees (tbd)

The VVB is obliged to pay the ClimatePal annual fee and training fee as laid down in the ClimatePal fee structure (tbd). Any training fees are non-refundable.

*ClimatePal fee
structure*

7 Suspension

In case of non-compliant behaviour of the VVB or of its auditors, ClimatePal may impose sanctions against the VVB. Based on a case-by-case examination, ClimatePal evaluates the type and level of non-compliance and defines the type and level of sanctions. If individual auditors are suspended from conducting ClimatePal audits, they will be included in the list of suspended auditors that are available on the ClimatePal website.

*Case-by-case
evaluation*

Annex A

The list below contains all documents required for VVB initial approval process:

1. VVB application form;
2. A copy of the valid accreditation certification;
3. Evidence confirming the legal status of the VVB entity;
4. Evidence to demonstrate that policies and mechanisms are in place to prevent conflicts of interest;
5. CVs of key personnel;
6. A list of auditors that will apply for approval.

Annex B

This annex contains the general explanation of the validation and verification procedures as well as the main outcomes of the process.³

1. Validation

VVB reviews and evaluates the project documents' compliance with the established requirements and ClimatePal-specific criteria, including the baseline and project emission calculations. During the document review, the validation team identifies additional questions and issues that need to be addressed by Project Proponent. After the follow-up actions, the validation team provides to the PP a draft validation report that summarises the issues that need further elaboration. The findings of this phase can be either Corrective Action Requests (CARs), Requests for Clarifications (CLs/CRs), or Forward Action Request (FAR). The PP must provide additional information to clarify or make necessary improvements to the project and documentation that would result in a positive validation outcome.




Upon receipt of responses and modified documents from the PP to the issues, the draft validation report is revised to reflect the responses of the Project Proponent against each of the issues.

The end result of this process is a final validation report that identifies any areas that need further elaboration or need to be rectified and express a validation opinion on whether the project is valid to claim emission reductions and co-benefits provision under ClimatePal. The final validation report is issued once all the issues in the Draft Validation Report have been solved by the PP and accepted by the VVB.

Following the positive outcome of the validation process, VVB submits the final validation report to the ClimatePal, together with the validation opinion, which contains a declaration of the project's compliance with the ClimatePal requirements and criteria.

2. Verification

The verification is the evaluation of the mitigated and monitored GHG emissions that took place as a result of the implementation of an offsetting project. The verification ensures:

-  that the project has been implemented and operated and that all physical features of the project are in place as was described in PDD;
-  that the monitoring report and other supporting documents provided are complete, verifiable and in accordance with applicable requirements;
-  that actual monitoring complies with the monitoring procedures described in the monitoring plan and the methodology.

To start the verification process, the verification team reviews the project documents to ensure that they meet the established verification criteria. Following the desk review, the team identifies additional questions and issues

³ Adapted from RINA

that need to be addressed by the Project Proponent. The process also demands an on-site assessment. The date of the on-site assessment is agreed upon with the PP in advance.

After the follow-up actions, the team provides to the PP a Draft Verification Report that summarises the issues related to the monitoring, implementation, or operation of the offsetting project activity that could impair the capacity of the offsetting project activity to achieve emission reductions/removals. The findings of this verification phase can be either CARs, CLs/CRs or FAR. The PP should provide the additional clarifications or make the necessary improvements to the report and documentation to obtain a positive outcome of the report. According to the nature of the improvements/corrections and/or the documentation provided, an additional on-site assessment could be needed to check the correct implementation of the corrective actions.

After solving all the issues found, the draft verification report is revised to reflect the responses of the PP against each of the issues. Following that, the **final verification report** is prepared including the final opinion. The Final Verification Report is issued once all the issues in the Draft Verification Report have been solved by the Project Proponent and accepted by VVB. The verification team includes in the final verification report the written assurance that, during a specified time period, the project activity achieved the GHG emission reductions, as verified.

Once the verification process has been successfully completed, VVB submits the final verification report to the ClimatePal, together with the verification opinion, which contains a quantification of GHG emission reductions or removal enhancements of the project, expressed as tonnes of CO₂eq, for the relevant period of time.