Process Management

3-1 CDM Operation Introduction and flow charts

This procedure contains the processes of carrying out CDM validation / verification functions according to the latest *CDM Validation and Verification Standard* and relevant decisions of. COP/MOP and CDM EB to comply with *CTC Quality Manual*.

CTC CDM validation / verification functions include three parts, business part, team allocation part and production part.

Business   part includes projects application by PPs, contract review by CTC, and contract signing by both CTC and PPs.

Team appointing part including receiving PDD/MR from PPs, appointing team, personnel level conflict of interest analysis, Confidentiality and Impartiality Agreement, team confirmation by PPs.
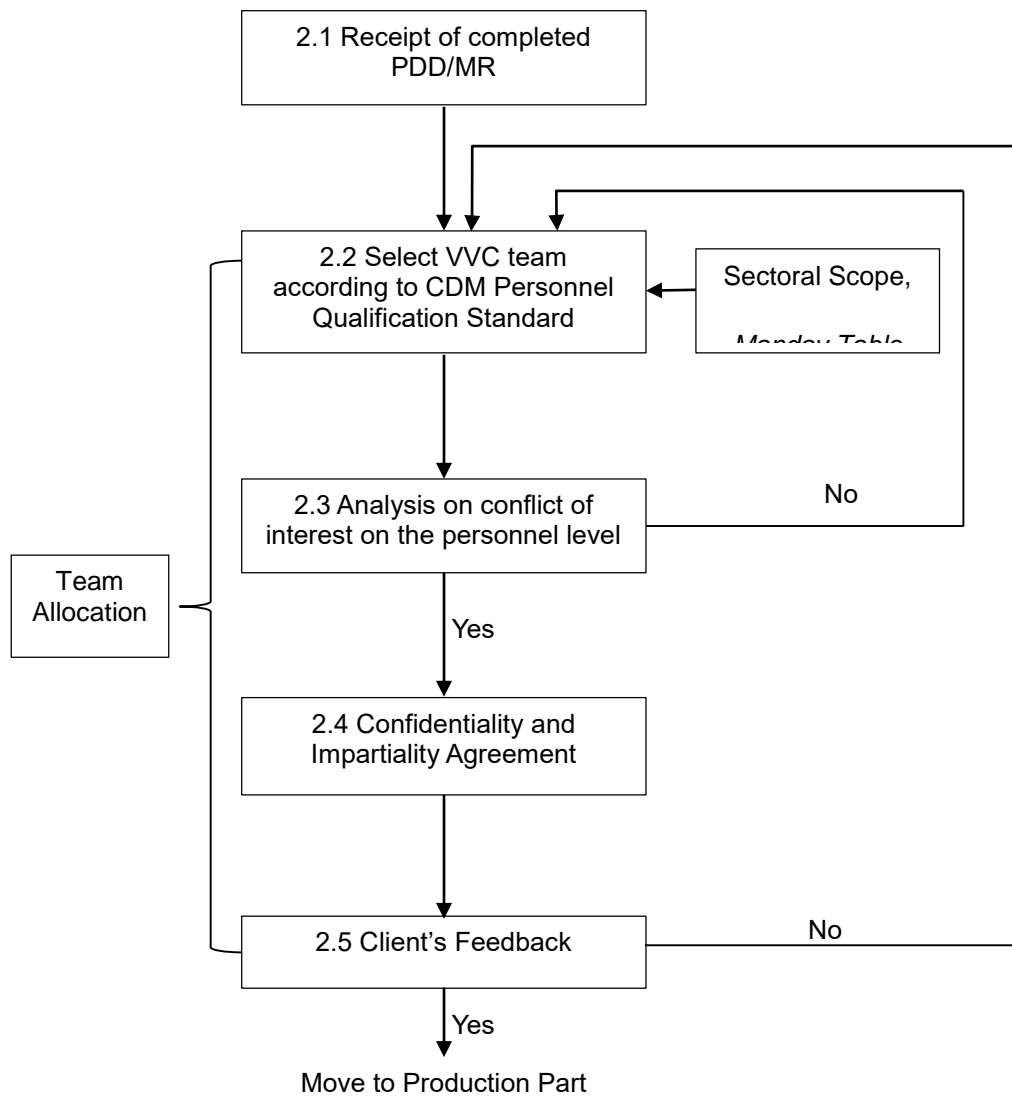
Operation part is the whole validation/verification activity, including completeness check before PDD/MR publication, desk review, on-site validation/verification plan, site visit, DVR/findings, closing CARs/CLs, final report, technical review, report approval, submission, as well as response to request for review from EB if any. The validation/verification activities only could start immediately after both the team confirmation by PPs and the contract signed by PPs.
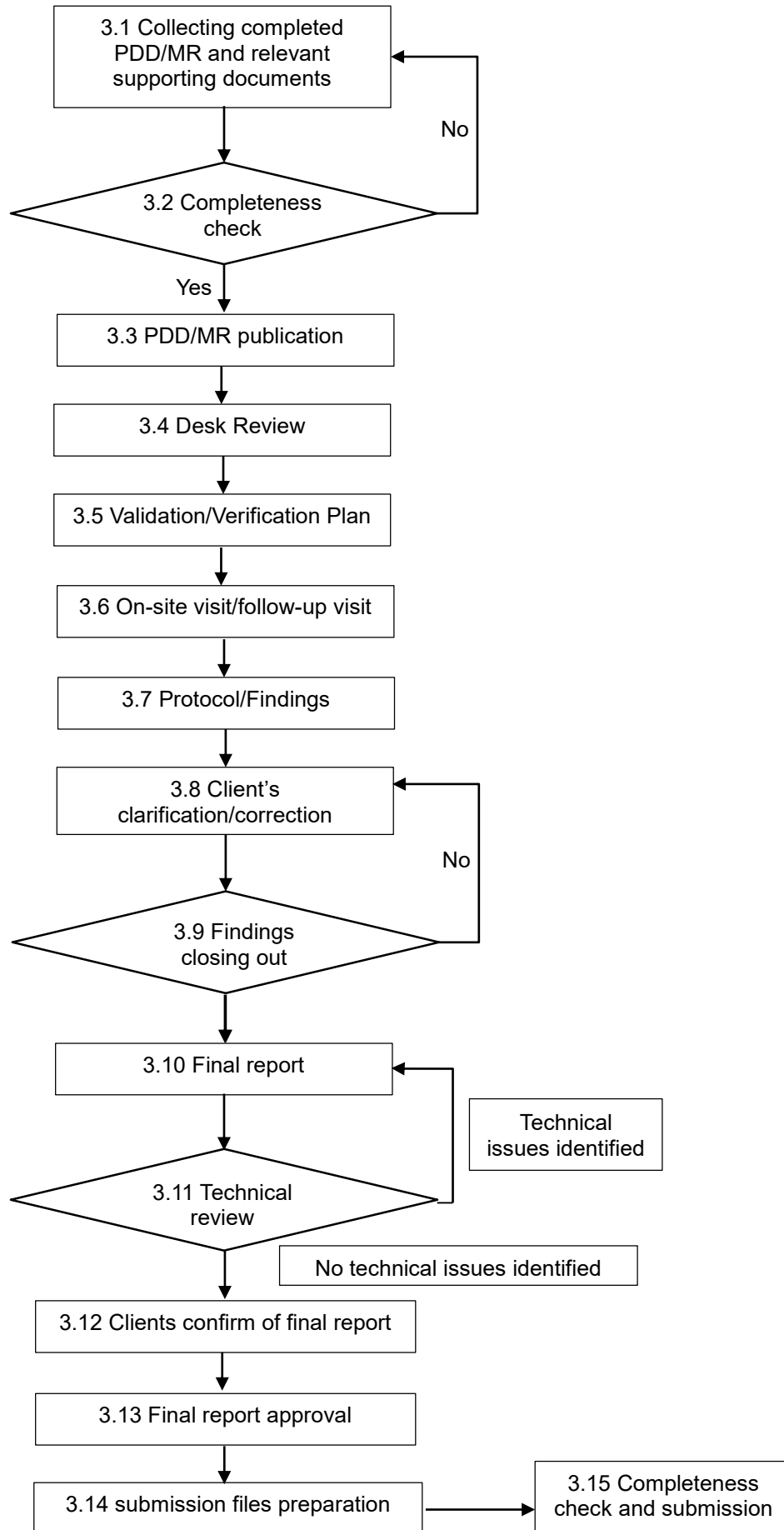
1 Business Flow Chart 1
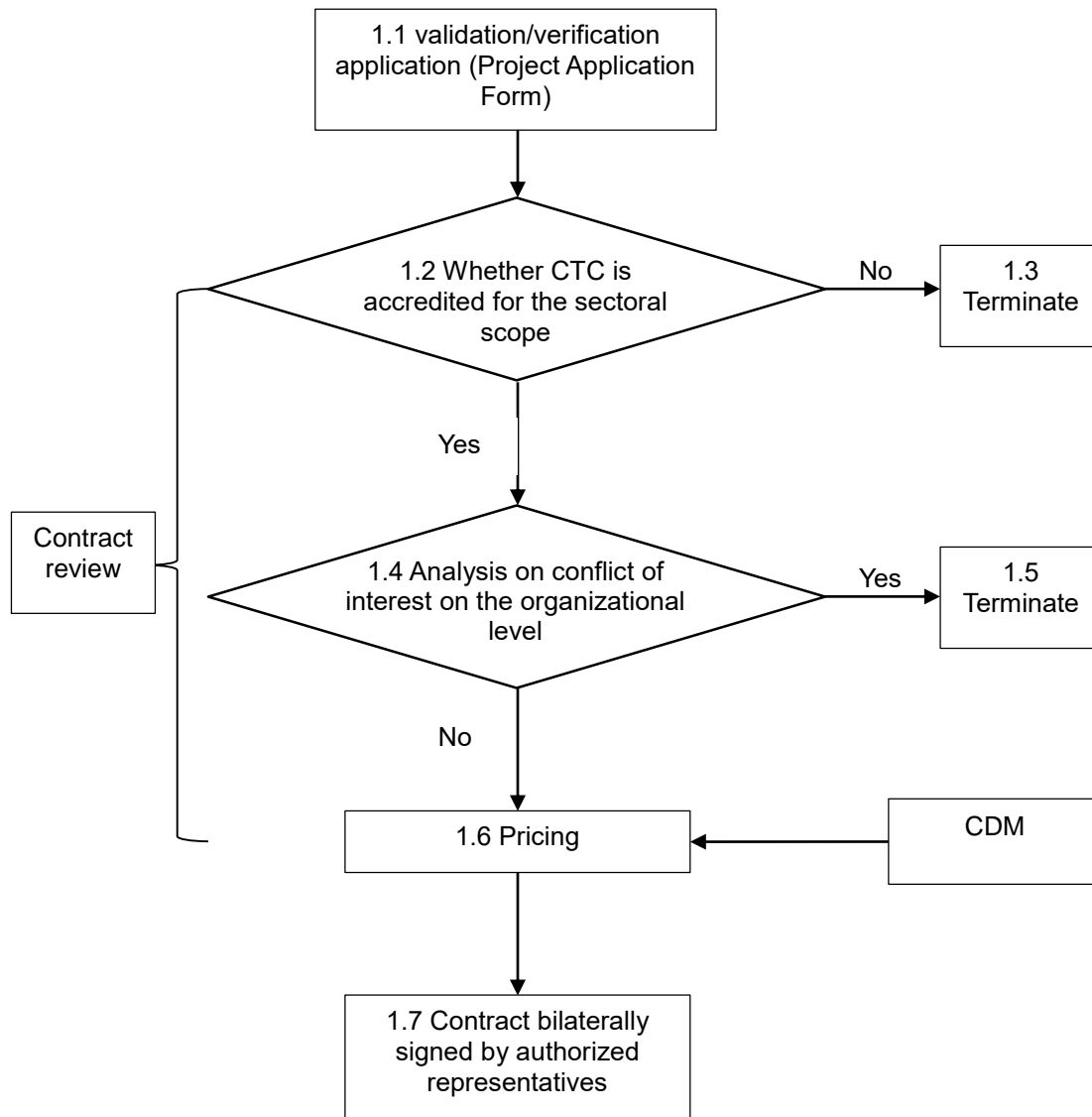
Validation includes "validation for registration of project activities", "validation of post-registration changes" and "validation for renewal of crediting period".
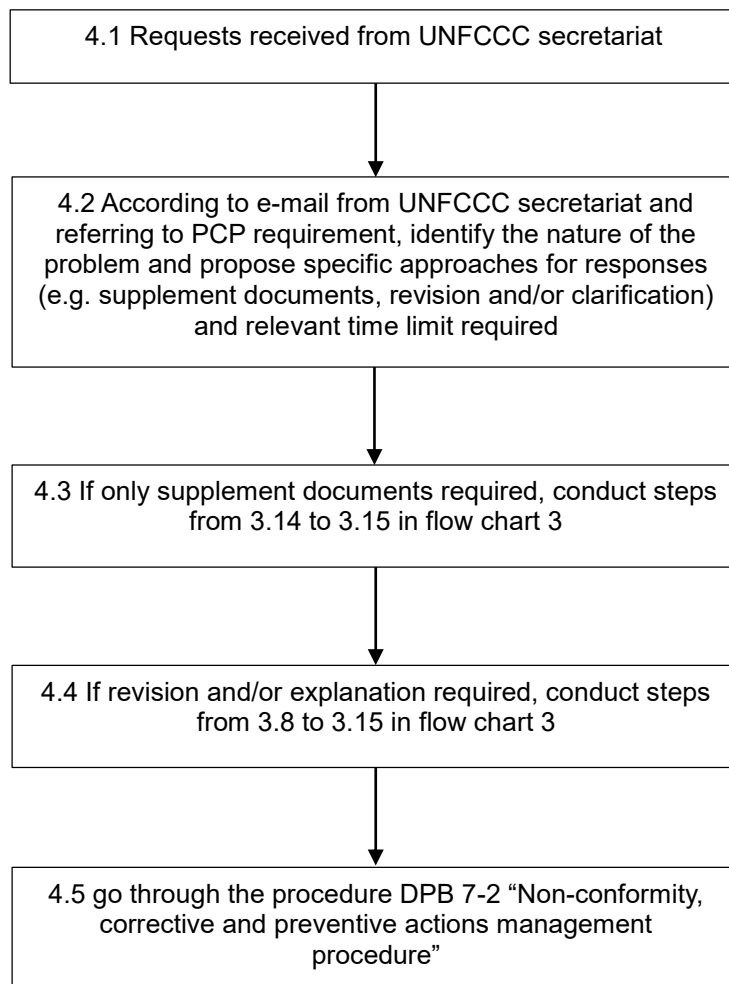
2 Team Appointing Chart 2

```
                    ┌─────────────────────┐
                    │ 2.1 Receipt of       │
                    │ completed PDD/MR      │
                    └─────────────────────┘
                              │
                              ▼
  ┌────────────────────────────────────┐   ┌─────────────────────┐
  │ 2.2 Select VVC team                 │◄──│ Sectoral Scope,      │
  │ according to CDM Personnel          │   │                      │
  │ Qualification Standard              │   │ Monday Table         │
  └────────────────────────────────────┘   └─────────────────────┘
                              │
                              ▼
  ┌────────────────────────────────────┐
  │ 2.3 Analysis on conflict of         │        No
  │ interest on the personnel level     │
  └────────────────────────────────────┘

  ┌──────────────┐
  │ Team          │
  │ Allocation    │                    Yes
  └──────────────┘
                              ▼
  ┌────────────────────────────────────┐
  │ 2.4 Confidentiality and             │
  │ Impartiality Agreement              │
  └────────────────────────────────────┘
                              │
                              ▼
  ┌────────────────────────────────────┐
  │ 2.5 Client's Feedback               │        No
  └────────────────────────────────────┘
                              │
                             Yes
                              ▼
                  Move to Production Part
```

3 Production Flow Chart 3 (Validation/verification Activities)

```
┌──────────────────────────┐
│  3.1 Collecting completed │◄─────────┐
│  PDD/MR and relevant      │          │
│  supporting documents     │          │
└──────────────────────────┘          │
             │                         │
             │                      No │
             ▼                         │
        ╱──────────╲                   │
       ╱ 3.2        ╲──────────────────┘
       ╲ Completeness╱
        ╲  check    ╱
             │
         Yes │
             ▼
┌──────────────────────────┐
│  3.3 PDD/MR publication   │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│  3.4 Desk Review          │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│ 3.5 Validation/Verification Plan │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│ 3.6 On-site visit/follow-up visit │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│  3.7 Protocol/Findings    │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│  3.8 Client's             │◄─────────┐
│  clarification/correction │          │
└──────────────────────────┘          │
             │                      No │
             ▼                         │
        ╱──────────╲                   │
       ╱ 3.9        ╲──────────────────┘
       ╲ Findings   ╱
        ╲ closing out╱
             │
             ▼
┌──────────────────────────┐
│  3.10 Final report        │◄─────────┐
└──────────────────────────┘          │
             │              ┌──────────────────┐
             │              │  Technical       │
             ▼              │  issues identified│
        ╱──────────╲        └──────────────────┘
       ╱ 3.11       ╲──────────────┘
       ╲ Technical  ╱
        ╲ review    ╱
             │        ┌─────────────────────────────┐
             │        │ No technical issues identified│
             ▼        └─────────────────────────────┘
┌──────────────────────────┐
│ 3.12 Clients confirm of final report │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐
│ 3.13 Final report approval │
└──────────────────────────┘
             │
             ▼
┌──────────────────────────┐      ┌──────────────────────┐
│ 3.14 submission files    │─────►│ 3.15 Completeness    │
│ preparation              │      │ check and submission │
└──────────────────────────┘      └──────────────────────┘
```

4. Production Part (supplement) Responses to requests from EB - Procedure

➤ When the CDM project submitted for registration or issuance received problems sent by UNFCCC secretariat in the periods of completeness check, information & reporting check or request for registration/issuance, initiate this flow;

➤ After receiving problems, OC-CCP shall promptly send e-mail to TL, TM-CCP, QM-CCP, and initiate this flow;

➤ TL shall response to the problem;

➤ TM-CCP shall control the quality of response;

➤ QM-CCP shall follow up the handling process and final result, and set up the CTC Internal Know-how Lib;

➤ QM-CCP shall monitor the time limit for response submitting.

```
┌─────────────────────────────────────────────────────┐
│   4.1 Requests received from UNFCCC secretariat       │
└─────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────┐
│   4.2 According to e-mail from UNFCCC secretariat and │
│   referring to PCP requirement, identify the nature of the │
│   problem and propose specific approaches for responses │
│   (e.g. supplement documents, revision and/or clarification) │
│   and relevant time limit required                    │
└─────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────┐
│   4.3 If only supplement documents required, conduct steps │
│   from 3.14 to 3.15 in flow chart 3                   │
└─────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────┐
│   4.4 If revision and/or explanation required, conduct steps │
│   from 3.8 to 3.15 in flow chart 3                    │
└─────────────────────────────────────────────────────┘
                          │
                          ▼
┌─────────────────────────────────────────────────────┐
│   4.5 go through the procedure DPB 7-2 "Non-conformity, │
│   corrective and preventive actions management        │
│   procedure"                                          │
└─────────────────────────────────────────────────────┘
```

3-2 Contract Review

Step	RP	Comments
(1) Inform QM-CCP/TM-CCP once receiving an enquiry for the validation/verification proposal.	**BM-CCP**	
(2) Collect duly filled CDM Validation/ Verification _Project Application Form (F-CDM-OP-AF)_ and relevant documents listed in the form from the client. The client should be a project participant or coordinating/ managing entity according to the latest version of CDM AS. The following application package should be provided by the client: ➢ _Project Application Form (F-CDM-OP-AF)_ ➢ Draft Project design document (PDD) or Draft Monitoring Report(MR) or registered PDD ➢ Approval documents of validation for registration projects, i.e. FSR approval, EIA approval. ➢ Other relevant documents.	**TM-CCP**	The TM-CCP is responsible to identify if an on-site visit is mandatory.
(3) Check the completeness of the application package and communicate with potential client if the package is incomplete.	**TM-CCP**	
(4) Check against internal documents and confirm whether CTC has been accredited the sectoral scope of the proposed project. a) If CTC is accredited, continue to Step 5; b) If CTC is not accredited, the procedure is terminated.	**TM-CCP**	If CTC is not accredited for the potential project, TM-CCP, shall liaise with QM-CCP to discuss this project as a witnessing opportunity for extension of accreditation scope. The client to the DOE should be a project participant or coordinating/managing entity according to the CDM terms.

(5) Impartiality risk check As per the yearly impartiality risk assessment report, if there are some CTC related entities, e.g. daughter companies, sister companies, etc, the QM-CCP shall obtain a confirmation that those companies are not involved in any activities of the CDM projects under contract review. In case any of them are involved in any activities of the proposed CDM project, QM-CCP shall terminate the contract review process and reject the inquiry.	**QM-CCP**	
(6) Approval of contract reviews and contract signing ***Operation-Contract Review (F-CDM-OP-CR)*** (5-1) The contract review should be approved by Business Manager. (5-2) The CDM contract of validation /verification or certification shall be in the name of CTC and shall be a legally enforceable contract with the client for the provision of validation and verifications/certification services. The conditions in the contracts with project participants shall not link their payments to the nature of the validation or verification opinion. The contract is approved by the General Manager of Certification & Assessment Center or CCP Director with his/her authority.	**BM-CCP, General Manager of Certification & Assessment Center/ CCP Director**	Due to the simple implementation process and low risk of the renewal of crediting period projects, the CCP director has the authority to approve and sign the renewal of crediting period projects contract with an amount of less than 20,000 yuan.
(7) Update Record System of following records and notify QM-CCP: a) CDM Validation/Verification Project Application Form; b) CDM Project Validation/Verification Contracts; c) Contract Review.	**OC-CCP**	

3-3 Validation and Verification/Certification Team Allocation and Technical Review Team Allocation

> The procedure is established for Validation and Verification/Certification (VVC) Team allotment and Technical Review (TR) Team allocation.

> The procedure shall be followed for both **Tentative Team (including both VVC team and TR team) at Contract Review Stage** and Team Selection **(including both VVC team and TR team)** Part before the VVC implementation.

> The procedure is used together with *Team Selection (F-CDM-OP-TS)* and *Personnel Qualification Matrix* (latest updated).

> The procedure shall be reviewed periodically (at least once a year) by **TM-CCP**.

> Project Team Allocation and Technical Review Team Allocation shall documented in *(F-CDM-OP-TS)*

General requirements:

A validation or verification team shall collectively have knowledge and skills prescribed in Accreditation Standard version 07.0.

Validation and Verification/Certification team allotment: (The Responsible Person and detailed procedure referring to 3-2 "contract review")

1: A validation and verification/certification team, whether it is composed of one or more persons, shall include at least one qualified person (TA experts, Validator and Verifier, or validation/verification team leader) in the technical area(s) of the CDM project activity or PoA to be validated or verified/certified, and the team leader of the validation or verification/certification team should be a qualified validation/verification team leader verifier. Or,

2: When an applicant team leader is allocated for project management, a qualified team leader shall be there for supervising who is not necessarily involved in the validation or verification.

3: Auditor under Training (s) may be included in project team for on-the-job training, as appropriate.

4: The VVC personnel, internal or external, shall not be used in the validation or verification/certification of a CDM project activity or PoA if:

1) They, or the organization that employs them, have been involved in the development, consultancy or financing of this CDM project activity or PoA; or

2)   They have had any professional relationships, other than a third party conformity assessment, with the project participants of this CDM project activity or PoA within the last two years.

Technical Review Team Allocation: (The Responsible Person and detailed procedure referring to 3-2 "contract review")

1: A qualified technical reviewer shall be allocated for independent technical review of validation or verification. Or,

2: Applicant technical reviewers could be involved in technical review of validation or verification, as appropriate. A qualified technical review shall be included for

supervising and responsible for the technical review for validation or verification, when an applicant technical reviewer is allocated for on-the-job training.

3: Qualified TA experts shall be involved in technical review team to provide technical competence when (applicant) technical reviewers do not have related TA competence.

Step	RP	Comments
(1) Select validation and verification/ certification team, TR team according to CDM Personnel Qualification Standard for the project and inform **QM-CCP.**	**TM-CCP with assistant of BM-CCP**	The validation and verification/ certification team shall: i. Collectively has the required competence of technical, methodological and sectoral aspects of the CDM PA; ii. At least one member of the validation or verification team is qualified for the technical area(s) of the CDM PA to be validated or verified. iii. In case where part of the validation/verification team is on-site, then this part of the validation/verification team has the required competence including in the technical area within the CDM sectoral scope. validation/verification /certification team leader is required during on-site.
(2) Conduct Conflict of Interest analysis at team level. Fill the Team Composition part of *Operation-Team Selection (F-CDM-OP-TS)*. The team selection should be approved by General Manager of Certification & Assessment Center or Quality Manager.	**TM-CCP with assistant of BM-CCP**	

(3) In advance of the validation/verification, OC shall provide the CDM PPs the names and tasks of the validation/verification team members and sufficient background information to allow the CDM PPs to object to the appointment of any particular member(s), with sufficient justification, and for the DOE to reconstitute the team in response to any valid objection.		
(4) (After confirmed by the client) Inform VVC team, especially TL (Project Team Leader), to prepare for the validation/verification.	**OC-CCP**	The signed confidentiality statement release from the client stipulates whether documents submitted are confidential
(5) Update Record System of following records and notify QM-CCP: a) Team Selection; b) Confirmation evidence from the client; c) Signed Confidentiality and Impartiality Agreement (F-CDM-CIA) from Team.		

3-4 Publication

Step	RP	Comments
Send PDD/MR to the TL allocated for the project validation/verification	**OC-CCP**	
Conduct initial assessment and fill out Publication Check Form and send to OC-CCP.	**TL**	
Log into UNFCCC website to fill and upload the required UNFCCC form and documents. After the receipt of notification from UNFCCC, update Record System with following records and notify QM-CCP: · _Publication Check Form (F-CDM –OP-PC)_; · Notification Email from UNFCCC.	**OC-CCP**	Stakeholders may submit comments on the UNFCCC website which will be forwarded to the TL of the project

3-5 Site Visit

Step	RP	Comments
Conduct PDD/MR review Prepare and send *Validation Verification Plan (F-CDM-OP-VVP)* to PP for confirmation. Send following documents to OC-CCP: Validation/Verification Plan and Confirmation from PP with appropriate methods, e.g. email, signature, stamp, etc.;	**TL/Team Member**	The *Validation Verification Plan (F-CDM-OP-VVP)* shall be prepared and send PP for confirmation whether a site visit is involved or not.
Confirm the availability of team and notify Team Member(s) for the Site Visit.	**TL**	
Conduct site visit; Fill *Attendance List (F-CDM-OP-AL)* and On-site Memo *(F-CDM-OP-OM).*	**TL**	According to the latest VVS and relevant requirements, it is mandatory to conduct an on-site inspection for, i validations for registration, post-registration changes and renewal of crediting period with annual average emission reductions more than 100,000tCO$_2$e, or there is pre-project information that is relevant to the requirements for registration of the project activity and not be traceable after the registration; ii Verifications if it is the first verification, or more than three years have

Step	RP	Comments
		elapsed since the last on-site inspection conducted for verification, or the project activity has achieved more than 300,000tCO$_2$e CERs since the last verification when an on-site inspection was conducted. If on-site inspection is conducted based on remote assessment, the checklist for remote on-site inspection should be filled.
Update Record System with following records and notify QM-CCP: · _Validation Verification Plan (F-CDM-OP-VVP)_; · Confirmation records from PPs; · _Attendance List(F-CDM-OP-AL)_ and On-site Memo _(F-CDM-OP-OM)_	**OC-CCP**	

3-6Validation/Verification Report

Step	RP	Comments

Prepare *findings* after Site-Visit	**TL/Team Member**	a) The TL/Team Member who is not yet an appropriate code holder as per the latest *Personnel Qualification Matrix* may produce findings initially; however, evidence proving the involvement of code holder is required. b) For Validation, global stakeholder's comments shall be reviewed by Team Member consolidate and archived once comments received.
Directly interact with PP on behalf of the assessment team Send *findings* to PP Update Record System with following records and notify QM-CCP: · Findings; · Email evidence of sending out findings to PP; · Code holder involvement evidence; · Project evidences presented by PP, and; · Global stakeholder comment (if any)	**TL**	
Prepare dFVR after the closure of all findings	**TL/Team Member**	c) The TL/Team Member who is not yet an appropriate code holder as per the latest *Personnel Qualification Matrix* may produce dFVR initially; however evidence proving the involvement of code holder is required.

Send dFVR package to OC-CCP and request for ITR by email	**TL**	
Confirm availability with TR selected in Contract Review. Forward the dFVR to TR. Update Record System with following records and notify QM-CCP: · dFVR; · dFVR TA holder involvement evidence (if applicable) and · Further project evidences presented by PP	**OC-CCP**	d) If TR needs to be changed, the OC-CCP shall update Record System. e) TR who was selected in ***Operation-Team Selection*** has the priority in ITR assignment, once assigned he/she shall not refuse ITR assignment unless approved by TM-CCP.
Fill out and send the Internal Technical Review Validation/Verification (F-CDM-ITRVAL/VER) from to TL.	**TR**	
Send comments from ITR to PP and close out issues raised in ITR together with PP. After ITR closed, send FVR to PP for final confirmation. Send FVR package confirmed by PP and TR to OC-CCP for completeness check.	**TL**	
Conduct Completeness Check and prepare checked FVR package for final decision	**OC-CCP**	

Make *Final Decision (F-CDM-OP-FD)* and notify OC-CCP for submission	**GM/ Management Representative**	
Process submission process and send receipt from UNFCCC to TL Update Record System with following records and notify QM-CCP: · FVR package, · Completeness Check records, · Final Decision records and · Receipts from UNFCCC	**OC-CCP**	
Send receipt from UNFCCC to PP	**TL**	

3-7 Incompleteness/Request for review/clarification

Step	RP	Comments
(1) Forward UNFCCC notice to CDM Team and cc to TM-CCP	**OC**	
(2) Prepare response and/or revise reports and send to TR (if applicable)	**TL**	Refer to process chart 3 above.
(3) Send duly filled _Internal Technical Review Validation/Verification(F-CDM-ITRVAL/VER) from_ to TL for asking to fix relevant required documents	**TR**	
(4) Fix relevant documents and confirmed with TR. Send response package to PP for confirmation before the deadline if any.	**TL**	
(5) Conduct Completeness Check and send response package for final decision.	**OC-CCP**	
(6) Make final decision (F-CDM-OP-FD) and notify OC-CCP for submission.	**GM/ Management Representative**	
(7) Update Record Sys with: a) final submitted documents, b) closed _Internal Technical Review Validation/Verification(F-CDM-ITRVAL/VER)_ from with response	**TL**	

3-8 Deviation/PDD or MP Changes/Revision/Renewal of Crediting Period

Step	RP	Comments
(1) Prepare response and/or revise reports and send to TR	**TL**	
(2) Conduct the ITR and send back comments to TL	**TR**	
(3) Fix the documents, send the TR/PP confirmed documents to OC-CCP	**TL**	
(4) Conduct completeness check (5) Upload relevant documents to UNFCCC website. (6)Update Record Sys and notify QM-CCP	**OC-CCP**	

3-9 Procedure for New Methodology or Methodological Tool Proposal

1. Purpose

The purpose of preparing this procedure is to define the duties and responsibilities within the process of receiving requests by project participants for the new methodology proposals for small and large scale, afforestation and reforestation, and carbon capture and storage Clean Development Mechanism (CDM) projects and submission to UNFCCC Secretariat by CTC.

2. Responsibility

The technical manager is responsible.

3. Application

If there is a proposal for a new methodology for small scale projects, large scale projects, afforestation and reforestation projects, carbon capture and storage projects, the following documents are submitted to UNFCCC Secretariat by CTC's Technical Manager, in both PDF and MS Word formats:

•The duly completed "New baseline and monitoring methodology proposal" form (CDM-PNM-FORM);

• The proposed new methodology using the relevant form (CDM-NM-FORM, CDM-SSC-NM-FORM, CDM-AR-NM-FORM or CDM-CCS-NM-FORM);

• The draft project design document (PDD) of the planned CDM project activity that intends to apply the proposed new methodology, using the relevant PDD with at least the following sections of the form and relevant appendices completed, applying the proposed new methodology:

    a. Description of project activity;

    b. Application of selected approved baseline and monitoring methodology;

    c. Duration and crediting period.

The proposal is evaluated by the Secretariat along with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools".

Initial Assessment: Upon positive conclusion of the completeness check, the secretariat shall conduct an initial assessment of the submission within 30 days of the deadline for submissions. If the submission is concluded as unqualified for consideration, or incomplete, the secretariat shall communicate the underlying reason(s) to the proponent. In this case, CTC may resubmit the proposed new methodology with revised documentation at any time.

Preparation of Draft Recommendation: The secretariat shall prepare a draft recommendation to the relevant methodological panel or working group on the proposed new methodology for which the submission has been deemed qualified.

Consideration by Panel or Working Group: The relevant methodological panel or working group shall consider the recommendation and prepare a draft recommendation to the Board. The panel or working group shall make every effort to conclude its consideration and finalize the recommendation to the Board within three consecutive meetings.

Consideration by the Board: The board shall decide to approve or reject the proposed new methodology at the Board meeting.

If the Board approves the proposed new methodology, the secretariat shall publish the approved new methodology on the UNFCCC CDM website within seven days of the approval.

3-10   Procedure for Request for Clarification

1. Purpose

The purpose of preparing this procedure is to define the duties and responsibilities within the process for submission of clarification requests regarding the approved methodologies of small and large scale, afforestation and reforestation, and carbon capture and storage Clean Development Mechanism (CDM) projects to the UNFCCC Secretariat.

2. Responsibility

The Technical Manager is responsible.

3. Application

CTC could request clarification of an approved methodology or methodological tool, by submitting, through a specific interface on the UNFCCC CDM website, the duly completed "Approved baseline and monitoring methodology/methodological tool clarification request" form (CDM-AMC-FORM) to the secretariat.

The proposal is evaluated by the Secretariat along with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools".

Initial Assessment: Upon positive conclusion of the completeness check, the secretariat shall conduct an initial assessment of the submission within 15 days of the deadline for submissions.

Fast Track: For case that does not involve any regulatory and/or technical ambiguity, or involves only simple regulatory and/or technical issues, hence requires no analysis or only a simple analysis to formulate a clarification, the secretariat shall prepare a clarification and send it to the enquirer within 30 days of the deadline for submissions.

Regular Track: For case that involves complex regulatory and/or technical issues, hence requires a thorough analysis to formulate a clarification, the secretariat shall prepare a draft recommendation of a clarification to the relevant methodological panel or working group. The relevant methodological panel or working group shall consider the recommendation, finalize the recommendation to the Board and publish it in its corresponding meeting report.

If the Board approves the clarification, the secretariat shall send the finalized clarification to the enquirer. The secretariat shall publish the clarification on the UNFCCC CDM website.

3-11 Procedure for Revision Requests by project participants for Approved Methodology or Methodological Tool

1. Purpose

The purpose of preparing this procedure is to define the duties and responsibilities within the process of receiving revision requests by project participants for approved methodologies or methodological tool for small and large scale, afforestation and reforestation, and carbon capture and storage Clean Development Mechanism (CDM) projects and submission to UNFCCC Secretariat by CTC.

2. Responsibility

The Technical Manager is responsible.

3. Application

If there is a request for revision of an approved methodology or methodological tool, the following documents shall be submitted to the secretariat through a specific interface on the UNFCCC CDM website:

• The duly completed "Approved baseline and monitoring methodology/methodological tool revision request" form (CDM-AMR-FORM);

• The proposed revised methodology or methodological tool, highlighting the proposed changes to the approved methodology or methodological tool;

• The draft PDD of a planned CDM project activity that intends to apply the proposed revised methodology or methodological tool, using the relevant PDD with at least the following sections of the form and relevant appendices completed, applying the proposed revised methodology or methodological tool. The submission of a draft PDD is optional at the time of submitting the request for revision of an approved methodology or methodological tool. However, it may be requested by the relevant panel or working group at a later stage to facilitate its consideration in accordance with paragraph 65 of procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools":

    a. Description of the project activity;

    b. Application of selected approved baseline and monitoring methodology;

    c. Duration and crediting period;

The proposal is evaluated by the Secretariat along with the procedure "Development, revision and clarification of baseline and monitoring methodologies and methodological tools".

Initial Assessment: Upon positive conclusion of the completeness check, the secretariat shall conduct an initial assessment within 30 days of the deadline for submissions. If the submission is concluded as unqualified for consideration, or incomplete, the secretariat shall communicate the underlying reason(s) to the proponent. In this case, CTC may resubmit the proposed new methodology with revised documentation at any time.

Preparation of Draft Recommendation: The secretariat shall prepare a draft

recommendation to the relevant methodological panel or working group on the proposed revised methodology or methodological tool for which the submission has been deemed qualified.

Consideration by Panel or Working Group: The relevant methodological panel or working group shall consider the recommendation and prepare a draft recommendation to the Board. The panel or working group shall make every effort to conclude its consideration and finalize the recommendation to the Board within two consecutive meetings.

Consideration by the Board: The board shall decide to approve or reject the proposed revision at the Board meeting.

If the Board approves the proposed revised methodology or methodological tool, the secretariat shall publish the approved revised methodology or methodological tool on the UNFCCC CDM website within seven days of the approval.

3-12 Remote inspection as an alternative means to an on-site inspection for project activities on validation or verification

1 Objective

In the face of public health emergencies such as the COVID-19 pandemic, DOEs cannot normally conduct on-site validation or verification. For CDM project activities, information and communication technology (ICT) are used to implement factory inspections. This document is specially formulated to ensure the effectiveness of implementing remote inspections.

2 Principles

This document is based on the *Amendments to version 03.0 of the CDM validation and verification standard for project activities on remote validation or verification by DOEs* from EB, providing remote inspection guidance, as professional technical support. These suggestions are not supplements or replacements of validation and verification standards, and remote inspection shall be implemented based on the VVS-PA.

3 Scope

This document establishes supplementary requirements for CDM project activities on remote validation and verification in conjunction with relative standards from EB and *CTC Quality Manual*.

4 Competency requirements for team members

Validation and verification team members should have the following competencies:

a) have the knowledge, skill and solid professional judgement required in an on-site inspection；

b) be able to understand and use the information and communication technologies employed；

c) learn this professional guidance and understand the corresponding requirements for remote inspection.

5 Resource configuration

a) Confirm that the client organization has the necessary facilities to support ICT, and mutually agree on the implementation of the application of the ICT inspection. Meanwhile, the security and confidentiality of electronic information and electronically transmitted information shall be ensured.

b) CTC shall allocate appropriate resources for the implementation of remote validation and verification activity, such as: smartphones, handheld devices, laptops, desktops, cameras, etc.

6 Risk assessment stage

The Technical Manager together with auditors should implement the risk assessment before remote inspection using form *F-CDM-OP-RRI* (Operation-Risk Assessment for Remote Inspection)

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. Therefore, a risk assessment 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 validation/verification team 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 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. Measures to eliminate or reduce each identified risk at different levels described in subparagraph (i) above should be established;

(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";

7 Planning stage

The validation or verification team should plan the validation or verification as follows:

a) 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;

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

c) Establishing a validation or verification plan, using form *F-CDM-OP-VVP*, 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;

d) 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 validation/verification team should also ensure that there is a backup plan in case there is a connection issue.

8 Implementation of activities

a) The validation/verification team should be aware of the risk control of the application of ICT, and attach attention to the validity and objectivity of the information collected by the application of ICT. Before and during the implementation of the inspection, communicate with the inspected party through

effective means such as email, telephone, WeChat, etc., so as to fully prepare for the expected inspection results. Information and evidence collected shall be no difference from on-site inspection.

b) The validation/verification team should fill the form *F-CDM-OP-RIC* (Operation - remote inspection Checklist) for each project. The inspection records and reports shall properly describe the application of ICT, and provide necessary explanations for the support and assurance of the integrity and feasibility of the inspection process. Other requirements are the same as the on-site inspection.

9 Post remote inspection

At post remote inspection stage CTC should:

a) 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;

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