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If you should require any further information then please do not hesitate to contact us. We will be pleased to help you.

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According to the Gold Standard for the Global Goals requirements, a project must undergo a validation by a Validation and Verification Body (VVB). TÜV NORD CERT GmbH is an accredited VVB for validation and verification of all project types (CDM Sectoral Scopes 1 – 16) with additional competence based on project specific knowledge, training and experience.

1. GENERAL SCOPE OF WORK

Validation is the independent evaluation of the project design, in particular the project's baseline study and monitoring and reporting plan, which are included in the Project Design Document (PDD) or Key Project Information provided or via Transition Request Form (as applicable) and other relevant supporting documents, by a VVB against the Gold Standard for Global Goals (GS4GG) Requirements including the applicable Principles & Requirements, the Activity Requirements, the Product Requirements, the Gold Standard Safeguarding Principles, host country requirements and any optional rules (as applicable).

The validation is based on the information made available to TÜV NORD CERT GmbH and on the contract conditions. TÜV NORD CERT GmbH cannot be held liable by any entity for making its validation opinion based on any false or misleading information supplied to it during the course of validation. TÜV NORD CERT GmbH employs a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of verified emission reductions (here: GSVERs).

The service of TÜV NORD CERT GmbH will not include any consulting service. Nevertheless, the client may certainly perceive TÜV NORD CERT GmbH's possible requests for clarifications and/or corrective actions to the client as indicators of possible potential for improvement in the project design.

The validation will follow the procedures of TÜV NORD CERT GmbH's JI/CDM Certification Programme (JI/CDM CP) Quality manual and the applicable Gold Standard for the Global Goals requirements.

In carrying out the validation work, TÜV NORD CERT GmbH will apply the following standards and criteria:

- the requirements set forth in the most recent versions of Principles & Requirements, including Safeguarding Principles & Requirements, Stakeholder Consultation and Engagement and Sustainable Development Goals (SDG) requirements;
- the criteria set forth in the most recent version of any optional regulatory documents published by the GS4GG (as applicable), e.g. "GHG Emissions Reduction & Sequestration Product Requirements", representing specific rules and product requirements for the issuance of Gold Standard Verified Emission Reductions (GSVERs), Gold Standard labels for Certified Emission Reductions (GSCERs) and Planned Emissions Reductions (PERs) for Land Use & Forests. It also provides the eligibility requirements for projects transitioning from other standards to GS4GG (see Annex B there).
- host country requirements / criteria;
- geographical boundaries of the project including all national and/or sectoral policies and regulations;

TÜV NORD CERT GmbH will validate the following information:

- policy, measure or stated goal of the project;
- confirmation about voluntary action by the project participant;
- demonstration of additionality of the project;
- design of the project (including technology or measures, baseline and monitoring methodology justification and application and accounting for leakage);
- start date and lifetime of the project;
- operational and management arrangements, including record-keeping system and procedures to avoid double-counting;
- applied methodology
- baseline and project scenario;
- monitoring and reporting plan with record-keeping system;
- indicators/data to be monitored and reported;
- if applicable, statistically sound sampling method to be used for verification;
- safeguarding principles assessment;
- stakeholder consultation

2. DESIGN CERTIFICATION PROCESS

The Validation and Design Review and subsequent Gold Standard Certified Design status of the proposed GS project shall follow the sequence of steps presented below¹:

2.1. Review of Documents

The project documentation submitted by the client and supporting background documents related to the project design, baseline study, stakeholder consultation as well as monitoring and reporting plan will be reviewed. Furthermore, the validation team may use additional documentation or checklist by third parties like host-party legislation, technical reports referring to the project design or to the basic conditions and technical data. The document review shall establish to what degree the presented documents meet the established validation criteria. The findings of initial document review will be presented to the client.

¹ The sequence of procedural steps for the projects seeking transition to GS4GG from other standards should be considered as identical with Design Certification Process, as described herein, whereas specific rules and requirements published by GS4GG for transitioning purpose will be followed.

2.2. Assessment using a Validation Protocol

For cost-effective and systematic validations of projects, one generic protocol will be used as the documented backbone of a transparent validation process. The protocol shows, in a transparent manner, criteria and requirements, means of validation and the results from pre-validating the identified criteria.

2.3. On site visit and follow-up interviews

Visits of the project site / PPs offices will be carried out in line with the GS4GG requirements. To ensure an efficient validation process the client has to provide all necessary information and documentation during the site visit and grant access to relevant sites and persons. If TÜV NORD CERT GmbH finds that the information provided by the Client is not sufficient to perform the validation, TÜV NORD CERT GmbH may, at TÜV NORD CERT GmbH's sole discretion, request follow-up interviews with project stakeholders, project developers, consultants and/or technical staff, or financially responsible persons.

2.4. Draft-Validation reporting

The draft validation report will facilitate the joint effort between the client and TÜV NORD CERT GmbH to develop and document answer(s) and conclusions to requirements, which are considered applicable for GS projects. The independent validation exercise and subsequent discussions given in the report shall enable the client to address any concerns TÜV NORD CERT GmbH may have raised related to the project, and how these may be clarified.

In order to remedy any mistakes, problems or any other outstanding issues that needed to be clarified for positive conclusion on the project design, Corrective Action Requests (CAR) or Clarification Requests (CL) may be raised. All CLs & CARs are reported and elaborated in terms of implication of CLs & CARs issued in the draft validation report. In the event of issuance of CARs / CLs the client will have to close CARs and respond to CLs before the validation could be completed.

The validation team will also take into account the comments received during the stakeholder consultation process in a separate section of the pre-validation report.

2.5. Resolution of CARs & CLs

The CARs and CLs stated in the draft validation report will have to be resolved by the client, if these are issued. The requests can be resolved or "closed out" by the client by modifying the project design and by rectifying and updating the project design documentation. If this is not done in the final stages of the validation, it may cause the project to not receive the Gold Standard Certified Design status, or cause the expected emission reductions not to be subsequently validated and verified.

The number of VVB Assessments on the corrective actions for closure of CARs and CLs raised should be limited to two consecutive rounds. For further resolution, the client and TÜV NORD CERT GmbH may enter into an amendment for additional man-days required.

2.6. Validation Report

The final validation report will reflect the results and any adjustments made to the project after the submission of draft validation report. This final validation report will reflect the responses to corrective action and clarification requests, discussions and revisions of project documents. Thus, the final validation report should give the final conclusions regarding the projects conformance with relevant GS4GG requirements. The validation report may raise issues that need to be subsequently addressed

during project implementation like the implications of any remaining corrective action requests not resolved during the validation.

The final validation report shall include a validation opinion, which either forms the basis for Gold Standard Certified Design status of the project or which explains the reason for non-acceptance if the project is judged not to fulfil design certification requirements.

In case of projects currently registered with other standards² the scope of works includes the assessment of eligibility criteria for transition from other standard to GS4GG following the rules set forth in the most recent version of "GHG Emissions Reduction & Sequestration Product Requirements", in particular, Annex B there. The outcome of the eligibility assessment will be presented via separate Validation Report or on request within the corresponding Verification Report as a combined validation and verification report, in case of combined Services, i.e. Validation of the project transition from other standard and Periodic Verification of the GS project.

2.7. Technical review & Final Approval

Before the submission of the final validation report, a technical review and final approval of the whole validation procedure will be carried out.

During the technical review process, the validation opinion and the specific assessments as prepared by the validation team may have been confirmed or revised. Furthermore, reporting improvements might have been achieved.

The technical review follows an overall (esp. procedural) assessment of the complete validation carried out by a qualified auditor.

2.8. Submission to the client

Certified Design status of a GS project is the positive conclusion of the Design Review. This is the prerequisite for the verification and issuance of VERs related to the project.

TÜV NORD CERT GmbH will submit the validation report to the client.

Further, TÜV NORD CERT GmbH will respond to any clarifications, queries, OBs, FARs and CARs raised by Gold Standard during Design Certification Review as per 101_PAR 5.1.15.

3. SCHEDULE OF EVENTS

TÜV NORD CERT GmbH is prepared to begin the work on the validation of the GS project within 15 working days upon receipt of all necessary project-related documents such as but not limited to the PDD, stakeholder consultation report, the financial calculation spreadsheet (if applicable), the emission reduction calculation and the emission factor calculation upon receipt of client's valid acceptance of the Offer.

The client shall submit all necessary project-related documents at least four (4) weeks before TÜV NORD CERT GmbH's (first) site visit. If the client fails to meet the aforementioned timeline or fails to submit any project related documents that it should reasonably have submitted to TÜV NORD CERT GmbH, TÜV NORD CERT GmbH may, at its sole discretion, postpone its site visit(s).

TÜV NORD CERT GmbH will use reasonable efforts to forward the DVR including the CARs and CLs to the Client within four (4) weeks of its (final) site visit.

² „Other standards“ refers to GHGs certification schemes, such as CDM, VERRA, CCBA, that issue carbon credits.

Upon the Client's submission of its response to CARs and CLs, TÜV NORD CERT GmbH will use reasonable efforts to finalise the FVR within three (3) weeks of TÜV NORD CERT GmbH's receipt of the final documents submitted by the Client.

TÜV NORD CERT GmbH will use reasonable efforts to conduct the Technical Review and Final Approval within six (6) weeks after finalisation of the FVR.

4. TEAM COMPOSITION

An experienced team will carry out the validation of the project.

The validation team will consist of experienced (lead) auditors and experts covering technical, methodological, environmental, host country and socio-economic competence.

The final team composition will be announced after conclusion of contract and in the course of the audit planning. The client has the right to reject any team member with sufficient justification. Related Curriculum Vitae of the audit team will be provided upon request vide operations.carbon@tuev-nord.de.

5. RIGHTS AND RESPONSIBILITIES OF TÜV NORD CERT GMBH

In addition to performing the service detailed in the offer TÜV NORD CERT GmbH shall:

Issue a validation report in line with scheme requirements, which will state whether, in the VVB's opinion, the project activity fulfils the requirements of the scheme.

Arrive at its opinion upon consideration of the following matters and reporting as to any aspect with which TÜV NORD CERT GmbH is not satisfied, namely whether:

- All relevant scheme requirements are met
- the monitoring system and procedures are in line with the applied methodology.
- the project is additional
- environmental analysis and Stakeholder Consultation Procedure is in line with the scheme

TÜV NORD CERT GmbH shall be entitled to Interview attorneys, engineers, analysts, accountants, or other parties deemed by TÜV NORD CERT GmbH to have the qualifications necessary to assist in the performance of the service without any extra fees/charge payable on this account by the client. TÜV NORD CERT GmbH may select and engage such persons without the clients prior approval save that, should the client advise TÜV NORD CERT GmbH that a conflict of interest exists, TÜV NORD CERT GmbH will take all necessary measures to engage alternate advisors. TÜV NORD CERT GmbH may also consult with stakeholders to assist in the performance of the service. Stakeholders shall include the public, including individuals, groups or communities affected, or likely to be affected, by the activity in question.

TÜV NORD CERT GmbH shall perform the service in an efficient, prompt, skillful and careful manner in accordance with the current industry standards, practices and accredited procedures. In performing the service, TÜV NORD CERT GmbH shall observe and obey all applicable laws, regulations, rules and standards imposed by any government or other duly constituted authority having jurisdiction in the host country.

TÜV NORD CERT GmbH by accepting the offer neither automatically guarantees a positive validation opinion nor the Gold Standard Certified Design status of the project.

TÜV NORD CERT GmbH has the right to subcontract members of the TÜV NORD JI/CDM Certification Program of other entities and external individuals.

6. RESPONSIBILITIES OF THE CLIENT

The client is responsible for:

Preparing a Project Design Document and Stakeholder consultation report in compliance with the requirements set by the applied scheme. In case of changes to the scheme during execution of the service the client shall adapt the project documents to the new regulations.

Determining additionality, baseline scenario and emission reductions using approved methodologies and tools and scientifically appropriate protocols as required by the scheme.

Preparing a monitoring and reporting plan consistent with the requirements of the scheme, to gather the necessary data and reporting data in a complete, transparent and accurate manner.

Providing TÜV NORD CERT GmbH with:

- A PDD and a Stakeholder Consultation Report and further documents as requested by the scheme.
- the necessary and requested access to client books, records, information systems and facilities such that TÜV NORD CERT GmbH is able to validate the data and assumptions presented in the project documents.
- all information, documentation, data or other material or taking all measures required by the scheme unless TÜV NORD CERT GmbH is expressly responsible for providing such measures under this agreement. In case of deadlines set by the scheme concerning material to be provided or measures to be taken by the client, the client shall provide TÜV NORD CERT GmbH with material 3 working days before expiry of the deadline.

Complying with TÜV NORD CERT GmbH's requests to conduct interviews, meetings and/or discussions with client's employees and agents on any matters relating to the service, within such deadlines as TÜV NORD CERT GmbH shall establish.

All obligations of the client shall be performed according to the scheme in force when performing the obligations. In case of changes to the scheme affecting performances already rendered the client shall amend or render anew its performances accordingly.