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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, voluntary project activities must undergo a validation by a Validation and Verification Body (VVB). TÜV NORD CERT GmbH is an accredited VVB for validation and verification of projects under 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 VPA design, in particular, the baseline study and monitoring and reporting plan, which are included in the Key Project Information & Design Document (VPA DD) against the design certified POA DD 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 Programme of Activity (PoA) Requirements, the Product Requirements, the Gold Standard Safeguarding Principles and host country requirements.

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 verified emission reductions (VERs).

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, the Programme of Activity (PoA) Requirements, Stakeholder Consultation and Engagement and Sustainable Development Goals (SDG) requirements;
- Host country requirements / criteria;
- the most recent version of the Standard for Sampling and Surveys for CDM Project Activities and Programme of activity
- Geographical boundaries of the voluntary project activities including all national and/or sectoral policies and regulations applicable

TÜV NORD CERT GmbH will validate the following information:

- Location and unique identification of the VPA;
- coordinating/managing entity
- Contact details of persons responsible for each VPA;
- Host party;
- Implemented technology/measure;

- Start date and duration of the crediting period;
- Eligibility criteria;
- Demonstration of additionality;
- Baseline, project and leakage greenhouse gas emissions;
- Ex-ante estimated emission reductions;
- Monitoring plan with record-keeping system;
- Sampling plan;
- Environmental analysis;
- indicators/data to be monitored and reported;
- if applicable, statistically sound sampling method to be used for verification;
- Stakeholder consultation;
- safeguarding principles assessment;
- Confirmation regarding no prior GS registration or inclusion in another PoA;
- Public funding;
- Consistency between PoA DD and VPA DD

2. DESIGN CERTIFICATION PROCESS

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

2.1. Review of documents

The project documentation submitted by the client and supporting background documents related to the VPA design, methodology and the monitoring plan will be reviewed. Furthermore, TÜV NORD CERT GmbH may use additional documentation or checklists provided by third parties in relation to host-country legislation, technical reports referring to the project design or to the basic conditions and technical data. The document review will establish to what degree the presented documents meet the established validation criteria. The findings of initial document review will be presented to the client.

2.2. Assessment using validation protocol

In order to ensure cost-effective and systematic validations, a VPA protocol will be used as the documented foundation of a transparent validation process. The protocol shows, in a transparent manner, criteria and requirements, means of validation, and the results obtained in validating the identified criteria. TÜV NORD CERT GmbH will assess the applicability of the VPA to the validation protocol.

2.3. On site visit and follow-up interviews

For one VPA or a group of VPAs as applicable based on GS4GG requirements, TÜV NORD CERT GmbH will conduct a site visit during the validation process. 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 programme of activity. 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 other outstanding issues, issues that needed to be clarified for positive conclusion, Corrective Action Requests (CAR) or Clarification Requests (CL) may be raised. All CARs and CLs are reported and elaborated in the draft validation report in terms of their implication. 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.

If applicable, 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 VPA 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 not be recommended for inclusion, or cause 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 for inclusion of voluntary project activities (the "FVR") will reflect the Client's responses to any CARs and CLs as well as the discussions and revisions of any 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 the VPA implementation such as implications of any remaining corrective action requests not resolved during the validation as Forward Action Request (FAR).

The FVR will address the additionality of the VPA, the VPA compliance with the eligibility criteria specified in the design certified PoA (including criteria to be used for the demonstration of additionality of a VPA), operational and management arrangements, consistencies between the PoA DD and VPA DD. TÜV NORD CERT GmbH's validation opinion either forms the basis for including the VPA in the design certified PoA (in which case it constitutes a "Positive Validation Opinion") and receives the Gold Standard Certified Design status, or it explains the reason for its non-acceptance, in case the VPA is judged not to fulfil design certification requirements (in which case it constitutes a "Negative Validation Opinion"). In case TÜV NORD CERT GmbH arrives at a Negative Validation Opinion, TÜV NORD CERT GmbH will consult with the client on whether or not to proceed with the VPA. The client shall provide TÜV NORD CERT GmbH with his final decision within ten (10) days after TÜV NORD CERT GmbH has informed the Client about the negative validation opinion.

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

The term "Inclusion" refers to the formal acceptance of a VPA and the positive conclusion of the Design Review. This is the prerequisite for the verification and issuance of VERs.

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 work on the validation of VPAs within 15 working days upon receipt of all necessary project-related documents, such as but not limited to the VPA DD, the Financial Calculation spreadsheet (if applicable), the emission reduction calculation, the emission factor calculation and all necessary documentation regarding GS requirements (esp. evidence to demonstrate compliance with eligibility criteria) and upon the Client's valid acceptance of this 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 CRs to the Client within four (4) weeks of its (final) site visit.

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 four (4) 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 voluntary project activity inclusion.

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

The final team composition will be announced after the 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 an validation report in line with scheme requirements which will state whether, in VVB's opinion, the VPA 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 and the programme of activity documentation
- additionality is shown in line with the programme of activity
- environmental analysis and Stakeholder Consultation Procedure is in line with the programme of activity

TÜV NORD CERT GmbH shall be entitled to Interview attorneys, engineers, analysts, accountants, or other parties deemed by the verifier 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, the validator 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 (inclusion) of the voluntary project activity. 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 VPA Design Document 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 and in line with the corresponding POA.

Preparing a monitoring plan consistent with the corresponding POA design document and the rules of the scheme in question, to gather the necessary data and reporting data in a complete, transparent and accurate manner.

Providing TÜV NORD CERT GmbH with:

- A VPA DD and a Stakeholder Consultation Report (if applicable) 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. 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.