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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 VCS Program rules, a project activity instance must undergo a validation by a validation/verification body in order to be included in the corresponding grouped project. TÜV NORD CERT GmbH is an accredited validation/verification body for validation and verification of projects under VCS 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 activity instance design, in particular, the baseline study and monitoring plan, which are included in the Design Document and other relevant supporting documents by a validation/verification body against the VCS Program rules 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 of verified carbon units (VCUs).

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) and the applicable VCS Program rules.

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 the VCS Standard, the VCS Program Guide and the VCS Validation and Verification Manual;
- Host country requirements / criteria
- Geographical boundaries of the project including all national and/or sectoral policies and regulations applicable
- the most recent version of the Standard for Sampling and Surveys for CDM Project Activities and Programme of Activities

As per the requirements, TÜV NORD CERT GmbH will validate the following information of the project activity instance:

- Location and unique identification of the project activity instance;
- Contact details of persons responsible for each project activity instance;
- Host party;
- Implemented technology/measure;
- Starting 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;
- Sampling plan;
- Environmental impacts and assessment;
- Stakeholder consultation procedure;
- Confirmation regarding no prior registration or inclusion in another grouped project;
- Consistency between grouped project and project activity instance design;
- Public funding;

## **2. VALIDATION PROCESS**

The validation shall follow the sequence of steps presented below:

### **2.1. Review of documents**

TÜV NORD CERT GmbH will review the design document(s) submitted by the client, the supporting background documents related to the project design and methodology, and the monitoring plan. 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.

### **2.2. Assessment using validation protocol**

For cost-effective and systematic validations of VCS projects, one generic 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 project activity instance to the validation protocol.

### **2.3. On site visit and follow-up interviews**

For one project activity instance or a group of project activity instances as applicable based on the VCS Program rules, 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 grouped 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 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. The independent validation process and subsequent discussions given in the draft validation report will enable the Client to address any concerns TÜV NORD CERT GmbH may have raised in relation to the project activity instance and how these may be clarified.

**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 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 the expected carbon units not to be subsequently validated and verified.

The number of 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 project activity instance(s) (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 FVR gives TÜV NORD CERT GmbH's final conclusions regarding the project activity instance conformance with the relevant VCS Program rules. The FVR may raise issues that need to be subsequently addressed during the project 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 project activity instance, the compliance with the eligibility criteria specified in the registered grouped project (including criteria to be used for the demonstration of additionality), operational and management arrangements, consistencies between the design documents.

TÜV NORD CERT GmbH's validation opinion either forms the basis for including the project activity instance under the registered grouped project (in which case it constitutes a "Positive Validation Opinion"), or it explains the reason for its non-acceptance in case the project activity instance is judged as not fulfilling the validation 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 project activity instance. 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 validated project activity instance. Inclusion is the prerequisite for the verification and issuance of VCUs related to all project activity instances under a registered grouped project.

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

**3. SCHEDULE OF EVENTS**

TÜV NORD CERT GmbH is prepared to begin work on the validation of project activity instance(s) within 10 working days upon receipt of all necessary project-related documents and upon the Client's valid acceptance of this offer.

Precondition for starting the validation of individual project activity instances(s) as per the scope and procedures set out above is the submission of all necessary project-related documents by the Client to TÜV NORD CERT GmbH.

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.

Additional validations, as requested by VCS after (i) revision of the underlying methodology or (ii) the re-validation after expiry of the crediting period are not included in this offer.

**4. TEAM COMPOSITION**

An experienced team will carry out the validation of the project activity instance(s) 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](mailto: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 inclusion report in line with scheme requirements which will state whether, in the validation/verification body's opinion, the instance(s) fulfil 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 grouped project documentation
- additionality is shown in line with the grouped project
- environmental analysis and Stakeholder Consultation Procedure is in line with the grouped project

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 verifier 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 inclusion of the project activity instance by VCS.

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 Design Document in compliance with the rules 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 grouped project.

Preparing a monitoring plan consistent with the corresponding grouped project design documents 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:

- documents as requested by the corresponding grouped project and 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.