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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 and CCB rules, a project must undergo a verification by a validation/verification body. 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**

The verification will be performed based on the validated project design document including the approved baseline & monitoring methodology, the baseline study, the monitoring plan, the validation report, the monitored emissions and emission reduction of GHGs during specified time period against VCS Program rules, CCB rules and associated interpretations and host country requirements. The verification 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 verification opinion based on any false or misleading information supplied to it during the course of verification.

TÜV NORD CERT GmbH employs a risk-based approach in the verification, focusing on the identification of significant risks for project implementation and the generation of verified carbon units (VCUs) and the delivery of net climate, community and biodiversity benefits.

The verification is not meant to provide any consulting to the client. However, stated requests for forward actions and/or corrective actions may provide input for improvement of the monitoring system. The verification will follow the procedures of TÜV NORD CERT GmbH's JI/CDM Certification Programme (JI/CDM CP) Quality manual, the applicable VCS Program rules and CCB rules.

The verification will be carried out as follows:

- Verification of the actual monitoring systems and procedures to be in compliance with the monitoring systems and procedures described in the monitoring plan as a part of the registered PDD.
- Submission of Verification report, VCS Verification Deed of Representation and CCB Verification Statement to the client

This Offer does not entail an assessment regarding deviations of the project. Additional requirements to be checked with regard to deviations of the project may be charged additionally upon mutual agreement.

## **2. VERIFICATION PROCESS**

The verification of the project shall follow the sequence of steps presented below.

### **2.1. Desk Review**

In order to start related work, the client has to provide the TÜV NORD CERT GmbH with a copy of the latest version of the monitoring.

At least the following documents shall also be reviewed off-site in this step:

- the last revision of the PDD and attached documents, including the most recent monitoring plan,
- the last revision of the monitoring report, including the claimed emission reductions for the project,

- the last revision of the validation report and/or the last revision of the initial or previous verification report.

## **2.2. Assessment using a Verification Protocol**

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

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

TÜV NORD CERT GmbH will perform an on-site visit of the project site(s) as part of the verification. During this on-site visit, the project implementation will be cross-checked against the registered project documentation.

TÜV NORD CERT GmbH shall prepare the site visit by:

- determining to which extent the project will be visited on-site (on the basis of a statistical analysis considering the nature of the project)
- carrying out a strategic analysis considering all relevant information sources
- organising the logistical aspects of the visit, including the agenda and whom to interview.

Typical activities on-site include:

- Introduction meeting, explanation of objectives of the verification,
- Interviews with data co-ordinators, process engineers and other key personnel at site,
- Review of performance records and collection of measurements,
- Check of monitoring equipment and observations of monitoring practices,
- Interviews with local project stakeholders, as applicable,
- Specific testing and calculation checks to be done on high risk, material data sources and data management issues,
- Closing meeting including presentation of preliminary results

An on-site visit and assessment shall focus on the following key areas:

- Project installation as per registered PDD
- Information flows for generating, aggregating/collating and reporting the selected monitoring parameters
- Calculations and assumptions made in determining the GHG data
- Controls in place to prevent, or detect and correct any significant errors or omissions in the selected monitoring parameters reported

**2.4. Draft-Verification Report**

The draft verification 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 VCS projects. The independent verification 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 verification team will also take into account the comments received during the stakeholder consultation in a separate section of the pre-verification report.

**2.5. Resolution of CARs & CLs**

With the help of a verification checklist, TÜV NORD CERT GmbH will formally communicate the client the findings in form of Corrective Action Requests (CARs), Clarification Requests (CL) and/or Forward Action Requests (FARs) in order to arrive at conclusions related to the claimed emission reductions.

The term “Forward Action Request” shall be used in the verification report, when:

- the actual project monitoring and reporting requires attention for the next consecutive verification period, or
- an adjustment of the monitoring plan is recommended
- or based on any VCS program rule.

In the context of FARs, risks have been identified, which may endanger the delivery of high quality VCU in the future, e.g. by deviations from standard procedures as defined by the monitoring plan.

As a consequence such aspects shall receive a special focus during the next consecutive verification.

A FAR may originate from lack of data sustaining claimed emission reductions.

It is the responsibility of the client to respond to the CARs, CLs and FARs reported by TÜV NORD CERT GmbH in a timely manner. The CARs and CLs stated in the draft verification report will have to be resolved by the client, if these are issued. The requests can be resolved or “closed out” by desk review or by another site visit as a special case. If this is not done in the final stages of the verification, it may cause the project not be recommended for issuance of corresponding carbon units and the delivery of net climate, community and biodiversity benefits related to that project.

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. Verification Report**

Following the completion of the verification assessment, the verification report shall give an overview of the verification process deployed by TÜV NORD CERT GmbH in order to arrive at the verification conclusions. All verification findings shall be clearly identified and justified. The verification report containing Lead Auditor’s recommendation will undergo a technical review by TÜV NORD CERT GmbH.

After approval from technical review, the verification report shall be provided to the Project Participants and the Parties involved. TÜV NORD CERT GmbH will verify in writing that the project has achieved the verified amount of carbon units that would not have occurred in the absence of the project in the specified time period and the climate, community and biodiversity benefits related to that project. TÜV NORD CERT GmbH will inform the project participants, the Parties of its verification decision in writing. This will be done immediately upon completion of the verification process.

### **2.7. Technical review & Final Approval**

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

During the technical review process the verification opinion and the specific assessments as prepared by the verification 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 verification carried out by a qualified auditor.

### **2.8. Submission to the client**

TÜV NORD CERT GmbH will submit the verification report, the VCS Verification Deed of Representation and the CCB Verification Statement to the client.

## **3. SCHEDULE OF EVENTS**

TÜV NORD CERT GmbH is prepared to begin work on the verification of the project within 10 working days upon receipt of Client's valid acceptance of the Offer and upon receipt of all necessary project-related documents.

Precondition for starting the verification as per the scope and procedures set out above is the submission of all necessary project-related documents such as but not limited to the MR and the emission reduction calculation, and all necessary documentation regarding VCS and CCB program rules 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 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 verification of the project.

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

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](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 a verification report in line with schemes requirements which will state whether, in the verifiers' opinion, the project fulfils the rules of the schemes.

Issue a Verification Deed of Representation and a CCB Verification Statement.

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:

- The actual monitoring systems and procedures are in compliance with the monitoring systems and procedures described in the monitoring plan as a part of the registered design document.
- the reported SDG impacts are accurate, complete, consistent, transparent and free of material error or omission
- the reported Greenhouse gas (GHG) emission reduction data as well as the reported climate, community and biodiversity benefits are accurate, complete, consistent, transparent and free of material error or omission.

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 verification opinion nor the issuance of VCUs by VCS nor the acceptance of the project's social and environmental impacts by CCB.

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:

Conducting stakeholder consultation in line with the applied schemes.

Preparing a Monitoring Report, emission reduction calculation and further project specific documents (if necessary) in compliance with the rules set by the applied schemes. In case of changes to the schemes during execution of the service the client shall adapt the project documents to the new regulations.

Providing TÜV NORD CERT GmbH with

- the necessary and requested access to client books, records, information systems and facilities such that TÜV NORD CERT GmbH is able to verify the data and information in the Monitoring Report.
- all information, documentation, data or other material or taking all measures required by the schemes unless TÜV NORD CERT GmbH is expressly responsible for providing such measures. In case of deadlines set by VCS 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 schemes in force when performing the obligations. In case of changes to the schemes affecting performances already rendered the client shall amend or render anew its performances accordingly.