



Annex 7

DRAFT INDICATIVE WORK PLAN REGARDING THE EXECUTIVE BOARD'S REGULATORY DECISIONS FOR VALIDATION AND VERIFICATION

I. Expectations of the Executive Board

1. To discuss and approve an indicative work plan to comprehensively revise the Clean Development Mechanism Validation and Verification Manual (VVM) and to 'overhaul' the regulatory decisions of the Executive Board (hereinafter referred to as the Board) e.g. standards, procedures, guidelines, clarifications, and forms that relate to the validation and verification of project activities.
2. This indicative work plan would be further elaborated upon and defined in next year's complete work plan for all work to be completed in 2011.
3. This document provides an indicative work plan for the secretariat to:
 - (a) Comprehensively revise the VVM. In undertaking this effort, the secretariat would also:
 - (i) Extract all validation and verification standards from the Board's existing regulatory decisions (e.g. standards, procedures, guidelines, clarifications, and forms) and consolidate them into the VVM;
 - (ii) Clarify, consolidate and ensure the consistency of all of the existing regulatory decisions of the Board that relate to the validation and verification of project activities;
 - (b) Streamline all existing procedures to make the entire validation and verification process less cumbersome, more efficient, and ultimately provide for faster decisions.

II. Background

A. Decisions and mandates of the CMP

4. At its third session, the Conference of the Parties serving as the meeting to the Parties (CMP) requested the Board "to conclude, as its highest priority, the VVM as a standard for designated operational entities" (decision 2/CMP.3, paragraph 15 (b)).
5. At its fourth session, the CMP welcomed the approval of the VVM and requested the Board to regularly update the VVM" (decision 2/CMP.4, paragraph 18).
6. At its fourth session, the CMP also requested the Board, "with a view to further improving transparency and consistency in decision-making, to classify, index and publish decisions, clarifying the hierarchy of its decisions, to demonstrate the relationship between new and previous decisions" (decision 2/CMP.4, paragraph 12).

B. Decisions and mandates of the Executive Board

7. At its forty-fourth meeting, the Board adopted the VVM (EB 44 report, annex 3).
8. At its forty-ninth meeting, the Board (EB 49 report, paragraph 11) directed the secretariat to:

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- (a) Revise the VVM every six month to include the appropriate incorporation of evolving decisions of the Board and to provide minor editorial consistency checks; and
- (b) Comprehensively revise the VVM every two years to incorporate all relevant decisions of the Board; to undertake comprehensive editorial, technical and legal consistency checks; and to make other revisions to improve its user-friendliness.

9. At its forty-seventh meeting the Board adopted a “CDM Executive Board decision framework. Decision hierarchy and definitions (version 01)”, and requested the secretariat to launch a workplan to ensure that existing and new documents complied with this framework in order to enhance the usability and understandability of the Board’s decisions.

10. In its report to CMP.4 (FCCC/KP/CMP/2009/16, annex IV, paragraph 3) the Board committed “to ensure a tight policy framework of standards and procedures (as defined in the hierarchy of decisions adopted by the Board) within which stakeholders and members of the support structure, including the secretariat, panels, working groups and other outside expertise, can conduct their work”.

11. At its fifty-fourth meeting, the Board requested the secretariat to prepare draft revisions to the “Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD” and the “Guidelines on assessment of different types of changes from the project activity as described in the registered PDD”.

C. Problem statement

12. In developing a revision to the “Procedures for notifying and requesting approval of changes from the project activity as described in the registered PDD” the secretariat has noted a number of inconsistencies in the application of the hierarchy of decisions, e.g. the procedures contain new requirements which should be contained in standards. In reviewing the current documentation related to the rules for validation and verification the secretariat has noted that this is a recurring problem.

13. This issue impacts such a quantity of documents that it is not possible to approach the revisions in a piecemeal fashion. A piecemeal approach would result in a greater lack of clarity and consistency because requirements would be located in two places or a requirement would be temporarily deleted during the revision process.

14. In accordance with the decisions and mandates of the CMP and the Board, the VVM is due for a comprehensive revision.

15. The previous two updates, in December 2009 (version 01.1), and July 2010 (version 01.2) consisted of, for the most part, updating the VVM to include footnotes that refer to new regulatory decisions of the Board (e.g. procedures, guidelines, clarifications, and forms).

16. The current VVM includes 79 footnotes, which further elaborate on the standards for validation and verification, and reference other regulatory decisions of the Board.

17. These other regulatory decisions of the Board (e.g. procedures, guidelines, clarifications, and forms) include standards that appear in the first instance in these documents and/or contain standards that are redundant to standards contained in the current VVM.

18. For example, procedures currently contain validation and verification standards that appear in the first instance in the procedure and/or contain standards that are redundant to the standards contained in the VVM.

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19. The secretariat therefore recommends to the Executive Board a work plan for a more comprehensive revision of all of its regulatory decisions relating to validation and verification.

III. Work plan**A. Overview of the proposed indicative work plan**

20. The indicative work plan would allow the secretariat to:
- (a) Comprehensively revise the VVM. In undertaking this effort, the secretariat would also:
 - (i) Extract all validation and verification standards from the Board's existing regulatory decisions (e.g. standards, procedures, guidelines, clarifications, and forms) and consolidate them into the VVM;
 - (ii) Clarify, consolidate and ensure the consistency of all of the existing regulatory decisions of the Board that relate to the validation and verification of project activities,
 - (b) Streamline all existing procedures to make the entire validation and verification process less cumbersome, more efficient, and ultimately provide for faster decisions.
21. The two efforts listed in paragraph 20 above would take place simultaneously, but in two phases.
22. The first phase would comprise all of the regulatory decisions relating to verification, and the second phase would comprise all of the regulatory decisions relating to validation.

B. Elaboration of Phase I

23. At the conclusion of the first phase, targeted for its sixty-first meeting, the Board would be presented with a streamlined and consolidated package of revised documents for its review and approval. This would include:
- (a) A standard outlining the requirements for project participants in operating registered CDM project activities;
 - (b) A revised verification chapter for the VVM, outlining the requirements for designated operational entities in conducting verification of compliance with requirements placed on project participants;
 - (c) A comprehensive and consolidated procedure for matters related to verification, i.e. changes of project design document, revision or monitoring plan, requests for deviation, changes to the start date of the crediting period;
 - (d) Related documents, such as guidelines and forms.
24. The secretariat would present this package to the Board at its sixtieth meeting for initial discussion with the aim of adoption of the package at its sixty-first meeting.
25. The secretariat would also request the authority to launch calls for inputs and or hold workshops with relevant stakeholders prior to the Board's consideration.

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26. The secretariat would remove the standards contained in other regulatory decisions of the Board (e.g. procedures, guidelines, clarifications, and forms), and include them in the VVM. This would comprise the standards that appear in the first instance in other regulatory decisions and standards contained in regulatory decisions that are redundant to the standards contained in the current VVM.
27. The secretariat would consolidate, clarify, and ensure the consistency of all of the standards relating to verification, which would be incorporated into the VVM.
28. The secretariat would also consolidate, clarify, and ensure the consistency of all other regulatory decisions of the Board relating to verification.
29. Finally, the secretariat would streamline the existing procedures (with the standards removed), to make the entire verification process less cumbersome, more efficient, and ultimately provide for faster decisions.

C. Elaboration of Phase II

30. The secretariat would conduct analogous work for phase II, but for regulatory decisions related to validation.
31. The secretariat would present an analogous package of documents for approval by the Board that relate to validation.
32. Target dates for completion of Phase II would be set forth in the completed work plan for all work to be completed in 2011.
33. The secretariat ultimately recommends that the Board rename VVM as the “Clean Development Mechanism Validation and Verification Standard” (hereinafter referred to as the VVS) so that it conforms with its official classification and to avoid any confusion.
34. Ultimately, the VVS would provide one document that would contain all of the consolidated, clarified and consistent standards for the validation and verification of project activities.
