

1. OBJECTIVE AND SCOPE

The current document sets up the regulation that governs the following evaluation services for the climatic change within the framework of the greenhouse gases (GHG) programs in which ICONTEC participates:

- Submission and consideration of a proposed new or revised methodology,
- Validation, of greenhouse gases projects
- Verification of greenhouse gases projects, and
- Deviations and/or revisions of a registered PDD or Monitoring Plan

The specific requirements of the GHG programs in which ICONTEC participates make essential part of the current regulation.

2. DEFINITIONS

For the purpose of this document the following definitions apply:

- 2.1 Certification: writing assurance by the Designated Operational Entity (DOE) that, during a specific time period, a project activity achieved:
- The reduction in anthropogenic emissions by sources of greenhouse gases (GHG) as verified, or
 - The net anthropogenic GHG removals by sinks since the start of the project, as verified.
- 2.2 Source of greenhouse gases: unit or physical process that releases a GHG into the atmosphere.
- 2.3 Program of greenhouse gases: voluntary or compulsory, international, national or local system that registers records or manages emissions, removals, reductions of emissions or increases of GHG removals, outside of the organization or of the GHG project.
- 2.4 Project of greenhouse gases: activity or activities that alter the conditions identified in the baseline scenario that cause the reduction of the GHG emissions or increase the GHG removals.
- 2.5 Removal of greenhouse gases: total mass of a GHG removed from the atmosphere within a certain period.
- 2.6 Reduction of greenhouse gases emissions: calculated decrease of GHG emissions between the base line scenario and the project.
- 2.7 Registration: It is the formal acceptance by the specific GHG program of a validated Project Activity.
- Note: The registration is prerequisite for the verification, certification and the issuance of the CERs related to the project activity.
- 2.8 Documental reviewing: corroboration to verify that the documentation of the project fulfills the relevant validation or verification requirements.

2.9 Forward Action Request (FAR): In the context of validation, it may be raised where certain issues related to project implementation should be reviewed during the first verification. In the context of verification is issued for actions which do not result in material impact on the estimation of emission reductions and applied for situations where the actual project monitoring and reporting requires attention and /or adjustment for the next verification period.

2.10 Corrective action request (CAR): Non-compliance with project requirements, or the identification of a risk to successful fulfillment of the particular project's objectives.

A Corrective Action Request is used in the framework of the validation, where:

- Mistakes have been made in assumptions, application of the methodology or the project documentation which will have a direct influence on project results;
- The requirements deemed relevant for validation of a project with certain characteristics have not been met, or
- There is a risk that emission reductions would not be able to be verified and certified.

In verification a CAR will be issued when:

- Nonconformities are found or sufficient evidence has not been provided that the monitoring and reporting have been conducted in accordance with the monitoring plan and the methodology. Mistakes have been made in applying assumptions, data, or calculations of emission reductions, which will impact the estimation of emission reductions.
- Issues identified at validation as a Forward Action Request to be verified at the verification have not been resolved by the project participants

2.11 Clarification request (CR): it is issued where information is insufficient, unclear or not transparent enough to establish whether a requirement is met.

Note. Other types of clarification applications are presented when the project participants request a revision, deviation or explanation of an approved methodology.

2.12 Sink or reservoir of greenhouse gases: unit or physical process that removes a GHG from the atmosphere.

2.13 Submission and consideration of a proposed new or revised methodology: operation carried out before the Methodology Panel seeking the approval of new methodologies or the modification of those already existent.

2.14 Validation: it is the process of independent assessment of a project activity by the Designated Operational Entity (DOE) against the applicable requirements of the specific GHG program, on the basis of the project design document.

2.15 Verification: it is the periodic independent review and the ex post determination by the Designated Operational Entity (DOE) during the defined verification period, of:

- monitored reductions in GHG emissions, or
- Net anthropogenic GHG removals by sinks achieved.

2.16 Audit Team: team composed of a lead auditor and, if required, one or several technical specialist(s) that ensure the competence in the sector and technical areas relevant to the

project under assessment. In the team more than one auditor can participate.

- 2.17 Technical Reviewer: Internal professional qualified or team composed of an internal lead auditor and a technical expert in the specific sector or technical area, in charge of providing the final concept on the validation or verification of a specific GHG Project or Report. The final concept is based on a technical revision of the service and the monitoring of the fulfillment of the related procedures approved.

3. PERSONNEL

ICONTEC will assign competent personnel, which can be subcontracted, to carry out the activities corresponding to the Submission and consideration of a proposed new or revised methodology, validation or verification of GHG projects or reports; and will deal with the objections, properly justified, that are reported by the contracting entity on the assigned personnel. In these cases, ICONTEC will assign other personnel in agreement with this entity. Once the agreement is reached, the contracting entity should accept these personnel for all the stages of the service, without any restriction.

4. DUTIES OF THE CONTRACTING ENTITY

- 4.1. To assure the free and timely access to all the places, information and documents corresponding to the activities for which the service is requested and to designate a responsible person for the coordination of activities with ICONTEC.
- 4.2 To pay, within the specified terms, the fees and expenses that ICONTEC or the specific GHG program charge for the activities corresponding to the service. The corresponding fees are set up and communicated by ICONTEC to the contracting entity. The delay in the bills payment originated by reason of the services provided, causes monthly interest to the allowed legal maximum rate.
- 4.3 Not to reproduce partially or totally the documents given by ICONTEC, neither to allow the access to these documents by third parties.
- 4.4 To timely inform ICONTEC the changes carried out related to the information and the project activities which can affect the fulfillment of the requirements of the protocols of the respective GHG program during the service provision.
- 4.5 To keep a registration of the claims and complaints of the interested parties, as well as of the handling given to them.
- 4.6 To deliver truthful and verifiable information. Any information that be identified as been falsified will receive the sanction foreseen in the numeral 8 of the current regulation.

5. DUTIES OF ICONTEC

To manage in a strictly confidential way all the information and the documents provided by the contracting entity regarding the activities developed for the service and to use it only for the purposes related to it. In case the Designated National Authority (DNA) requires this information, ICONTEC will deliver it and will inform in writing to the contracting entity and to the project owner. When this application originates from third parties, it is previously requested from the contracting entity and from

the project owner an authorization in writing to be able to offer this information.

To verify the implementation of the requirements demanded by the methodologies, protocols and procedures of the respective GHG program without exempting the contracting entity of its responsibility of completing this requirements and commitments. ICONTEC is only responsible with the contracting entity or with third parties up to the extent that the justice or the requirements of the GHG programs set up mandatory responsibility in cases of damage caused deliberately or by negligence. Any additional claim is excluded.

6. SERVICE STAGES

The language of the documentation generated by the project and for the provision of the service will be the official of the specific GHG program.

6.1 Submission and consideration of a proposed new or revised methodology

For the provision of this service, the current and applicable procedure will be applied to the project type, approved by the CDM Executive Board.

6.2 Validation

6.2.1 Planning

Based in the documentation given by the customer and the specific criteria of the GHG program, a documented verification plan is developed, which includes the activities, resources, sampling plan and designated validation team.

The validation plan is communicated to the customer and to the responsible party and it is reviewed, as necessary, in the course of the validation process.

6.2.2 Consultation process to the stakeholders

The lead auditor will make the project design document (PDD) of the project under consideration publicly available and invite parties, stakeholders and UNFCCC accredited NGOs to comment on the validation requirements for a period of 30 days. In case of large- scale A/R projects, the PDD will be made publicly available for a period of 45 days, and for a period of 30 days for small scale A/R projects.

The PDD will be available via a link on the UNFCCC website to ICONTEC's website. Comments received during the period of public consultation shall also be available for consultation in the web site.

6.2.3 Documental review and investigation of additional information sources

A documental revision should be carried out to analyze the information related to the design of the project, the methodologies, the monitoring plan defined and the calculation of the reduction or removal of emissions that will be applied in the future to measure the reductions or removals reached.

Likewise, it is evaluated whether the project really contributes to the sustainable development and if it is additional.

To supplement documentation provided by the project proponent, the validation team will normally have to identify other sources that can provide background information for the validation.

6.2.4 Documental review report

The audit team prepares a report of the documental review and the investigation of additional information sources including the following information:

- Confirm if the next step of the validation, the follow up Interviews, is going to be carried out.
- Observations to the appropriateness of the project documentation.
- When it has been determined that the project activity, judging from the documentation or comments received during the public consultation, does not meet the requirements to be validated, an explanation of the reasons for rejection will be issued.
- To confirm the different actors and locations involved in the follow up interviews and the time assigned.

6.2.5 Follow up interviews

This activity consists mainly on a visit to the project owners, to the Designated National Authorities of the country and other stakeholders of the project activity, in order to discuss and validate issues related to:

- Project baseline and additionality;
- The technical implementation or financing of the project;
- Sustainable development.

6.2.6. Preliminary validation report

The draft validation report includes a general discussion of details captured by the validation protocol, and clearly states the conclusions relate to each of the general issues required for successful validation. The audit team reports detected CR, CARs or FARs, which are reviewed with the project owner in order to obtain the recognition that the finding is exact and that CARs, and FARs or CR are understood.

6.2.7. Resolution of nonconformities

After the nonconformities stated in the draft validation report are acknowledged by the project proponent, these will have to be resolved in a timely manner.

Once the action requests have been received, the lead auditor verifies the appropriateness of the action and writes his/her conclusion on the same form.

6.2.8. Final report

The validation report shall reflect the results from the dialogue between the validation team and the owner of the project and any adjustments made to the project after the draft PDD was made publicly available to parties, stakeholders and NGOs for stakeholder consultation.

It reflects the responses to nonconformities, discussions and revisions of project documents.

The validation report shall give the final conclusions regarding the project conformance with the relevant requirements of the GHG program.

6.2.9. Validation Decision

Once the final report is finished, it is submitted to the technical reviewer assigned for final evaluation. This technical reviewer is in charge of giving the final opinion on the validation and reviewing whether the validation process fulfills the requirements of the specific GHG program. If observations are submitted by the technical reviewer, the lead auditor shall process them.

Once the observations have been solved, the validation report of the corresponding project will be approved by the Climate Change Head and will be submitted to the Conformity Assessment Director of ICONTEC.

A copy of the report is send to the Executive Board with copy to the project owner and the contracting party.

6.2.10 Registration Procedure

Upon successful completion of the validation and in accordance with the specific GHG program, the project registration procedure is carried out.

6.3 Verification

6.3.1. Planning

Based on the documentation provided by the customer and the specific criteria of the GHG program, a documented verification plan is developed, which includes the activities, resources, sampling plan and the audit verification team designated. The verification plan is communicated to the customer and to the responsible party and it is reviewed, as necessary, in the course of the verification process.

6.3.2. Monitoring plan publication

As part of the verification, the lead auditor makes the monitoring report, received from the project participants, publicly available through the UNFCCC web site.

6.3.3. Documental review

During the documental review, the verification team:

- Determines if documentation sent is enough or if further information has to be requested to the contracting entity.
- Determines if documents are in agreement with the requirements of the registered Project Document and meet the requirements of the GHG specific program.
- Identifies key issues to be verified during the verification process and documents them.

6.3.4. on site assessment

The on site assessment consists of a visit to the project where the application of the monitoring plan and the execution of the activities related to the project are verified. The emissions reduction or

removal effectively reached is also verified.

6.3.5. Preliminary verification report.

The draft validation report includes a general discussion of details captured by the verification checklist, and clearly states the conclusions related to each of the general issues required for successful verification. The audit team reports detected CR, CARs or FARs, which are reviewed with the project owner in order to obtain the recognition that the finding is exact and that CARs, and FARs or CR are understood.

6.3.6. Resolution of nonconformities

After the nonconformities stated in the draft verification report are acknowledged by the project proponent, these will have to be resolved in a timely manner.

Once the action requests have been received, the lead auditor verifies the appropriateness of the action and writes his/her conclusion on the same form.

6.3.7. Final report

The final verification report:

- Provides an overview of the scope of the verification,
- Includes a general discussion of details captured by the verification protocol, and
- Clearly states the conclusions related to the verification and the verified amount of emission reductions in a verification statement.

The verification report will include a verification statement which is the basis for the issuance of the CERs.

6.3.8. Verification Decision

Once the final report is finished, it is submitted to the technical reviewer assigned. The technical reviewer is in charge of confirming the final verification statement and reviewing whether the verification process fulfills the requirements of the specific GHG program. If observations are presented, the lead auditor will process them.

Once the observations have been solved, the verification report of the corresponding project will be approved by the Climate Change Head and submitted to the Conformity Assessment Director of ICONTEC.

A copy of the report is sent to the GHG specific program with copy to the project owner and the contracting party in order to obtain the certification for the reduction or removal of emissions (Certified Reductions of Emissions or CERs).

6.3.9. Certified reductions of the verified emissions.

The procedure for obtaining the corresponding reduction certificates is carried out in accordance with the specific GHG program.

6.4. Deviations and/or revision of a registered PDD or Monitoring Plan

For the execution of these services the procedures set by the CDM Executive Board or the specific GHG program for which the service is requested are applied.

7. RIGHTS OF THE CONTRACTING ENTITY OF THE VALIDATION OR VERIFICATION SERVICES

The contracting entity of the validation or verification may use the concept obtained as part of its commercial information or publicity without modifying it or altering it and without detriment to ICONTEC's image.

The obtained certificates can be traded in the world market, in agreement with the practices of international negotiation of Reduction Certificates or Emissions Removal.

8. SANCTIONS

The submission of false documentation for obtaining the registration of the project or, the certification of the emissions reduction can be subject to sanctions, if it is presented for the contracting part to ICONTEC.

The sanction foreseen for the identified behavior is the no provision of the service or its cancellation if this was already being carried out.

9. RESOURCES

The decisions made by ICONTEC that affect in any way the provision of the service, or its application, are susceptible of the Appeal resource. The procedure of this resource will be carried out in agreement with the procedure set up by ICONTEC, which will be available for consultation.

In any event, the Appeal resource will be provided before the ICONTEC Directive Council and must be lodged by the individual who legitimates the right, within the ten (10) work days following the communication of the decision. If this term elapses and the contracting entity does not appeal the decision, it is interpreted that it accepts the same one without place to further judicial or extrajudicial reclamations.

Approved by the Directive Council
October 30, 2012