Why Validation and Verification matter in JCM

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Somebody has to check quality

Joint Committee
- JC cannot check if the reporting is true
- JC may not have the technical expertise to check in detail

Approval

Reporting
SOMEBODY needs to make sure that PP’s reporting is correct and meet requirements

Project Participants
- PP may misinterpret guidelines and methodologies
- PP may miscalculate
- PP has an incentive to over-report emission reduction
“TPE” - the quality keeper

- “Third-Party Entity (TPE)” is the quality keeper of JCM.

- TPE’s jobs are to:
  1. Ensure that the project meets JCM requirements
  2. Ensure that the greenhouse gas (GHG) has been reduced.
TPE’s jobs – Validation and Verification

• **Validation** – is a process to check if the project meets JCM requirements

  - JCM requirements
    - Does it have a methodology approved by JC?
    - Does the project meet the eligibility criteria of the methodology?

• **Verification** – is a process to check if the GHG emission has been reduced.

  - GHG reduction
    - Did you monitor the project correctly?
    - Do you have document proof?
    - Did you calculate the emission reduction according to the methodology?
Who pays TPE?

• In principles, TPE is paid by the project participants.

• At the initial stage of JCM implementation, Japanese government is likely to subsidise the TPE-related cost.
Who can be a TPE?

• Option 1: Accredited as the **Designated Operation Entity of the Clean Development Mechanisms (CDM-DOE)**
  – Accredited by the UN
  – Now 42 entities are DOE worldwide
  – DOE is recognised only for CDM – but CDM carbon market is currently very inactive
Who can be a TPE?

• Option 2: Accredited under **ISO 14065**
  – ISO 14065 is a global standard to accredit competent body for validation and verification
  – Accredited by a national body (e.g. potentially Mongolian Agency for Standardization and Metrology).
  – Also recognised beyond JCM – e.g. Voluntary Carbon Scheme
ISO 14065 – an opportunity?

• If there is an entity accredited under ISO 14065, the entity
  – Can perform validation and verification processes under the JCM.
  – Same goes for Voluntary Carbon Scheme and other voluntary schemes
  – Adds credibility to certify emission reductions by large corporates
Thank you.

Баярлалаа.