

Agenda item 2.2.
Paragraph 10 of the annotated agenda, Annex 1

Remote validation or verification by DOEs

CDM EB 113

Bonn, Germany, 8 to 11 March 2022



Procedural background

- EB 106 agreed to the temporary deviation from requirements regarding mandatory on-site inspections for VV by DOEs, allowing for using alternative means to on-site inspections, for certain period, due to travel restrictions caused by the COVID-19. This temporary relaxation has been extended by the Board on several occasions with the last decision made at EB 112 to extend it until 30 June 2022.
- EB 112 requested the secretariat, in consultation with the CDM-AP, to prepare a concept note, for consideration by the Board at its next meeting, on how to conduct remote VV, in order to ensure that remote VV conducted by DOEs achieve a high level of assurance.
- AP 91 reviewed the draft concept note and was in agreement with the content of the draft concept note.



Validation and verification requirements relating to on-site inspection

- Mandatory on-site inspection by DOEs → VVS- PA, paras 30 and 339; VVS-PoA, paras 179 and 319.
- Provision for optional on-site inspection → VVS-PA, paras 31 and 340; VVS-PoA, paras 30, 180 and 320.
- Other paras of VVS-PA and VVS-PoA specify:
 - Principle to exercise due professional care/judgement and to have necessary skills/competences.
 - Approach to ensure compliance of requirements.
 - Standard auditing technique.
 - Assurance of quality of evidences/audit trails.
 - Risk assessment.



Modalities for remote inspections or audits from other schemes

- ISO 19011:

Remote audit is the use of ICT to gather information, interview an auditee, etc., when face-to-face methods are not possible or desired.

- EUETS Accreditation and verification regulation:

Virtual site visit is a site visit that is carried out in an online environment. The verifier would carry out the same activities as in a physical site visit, but these activities would be done through electronic means.

- IAF/ISO Remote audit guidance:

Remote audit provides flexibility to achieving the audit objectives since auditors may not be present due to constraints; however, the limitations and risks posed by ICT must be considered.



Limitations and risks posed

Completeness of information:

- On-site inspections: Observe project features directly.
- Remote inspections: Observe only through ICT camera; Resolution of tools may impact the clarity of views.

Reliability and credibility of information:

- On-site inspections: Collect information directly.
- Remote inspections: Less control by DOE; issue on internet quality; suboptimal surroundings condition, difficulties in identifying interviewees.

Confidentiality, security and data protection of information:

- On-site inspection: Access information physically within the premises of clients.
- Remote inspections: Use ICT tools to transfer information.



Limitations and risks posed

Sufficient resources of VV teams:

- Additional human resources and knowledge and skill resulting from ICT tools are required.

Appendix 1 provides examples of limitation and risks in remote inspections.



Proposed guidance

- DOE to identify risks and implement measures and integrate this risk assessment process to its QMS.
- DOE should conduct the following at different stages:
 - a) **Risk assessment**, covering:
 - i. Identifying and assessing the risks:
 - a. Risks related to organizational and procedural aspect.
 - b. Risks related to project activity and its configuration.
 - c. Risks related to monitoring aspect.
 - ii. Establishing measures to eliminate or reduce the identified risks.
 - iii. The risk assessment may be done in the context of the application of materiality.



Proposed guidance

- b) Planning stage:** Based on risk assessment outcomes, a DOE should:
- i. Compose a team with sufficient members that have competence required in an on-site inspection and additional competence in applying ICT tools.
 - ii. Conduct a desk review to understand records and documentation control processes.
 - iii. Establish a VV plan taking into account the established measures.
 - iv. Determine ICT tools, conduct a test, and set a backup plan.
- c) Implementation stage:** Implement measures identified → May decide to extend or terminate the remote inspection if actual risks are higher.
- d) Post remote inspection stage:**
- i. Assess if another round of remote inspection is needed.
 - ii. Ensure technical review process identifies any risks that were not identified.



Application and recommendation

- **The proposed guidance can be applied to:**
 - a) Temporary deviation measures by the Board against mandatory on-site inspection.
 - b) Alternative means to on-site inspection when it is optional.

- **Subsequent work and timelines:**

If the Board agrees the proposed guidance as contain in appendices 2 and 3 of the CN, they will be published as amendments of the VVS-PA and the VVS-PoA.

- **Recommendation to the Board:**

The secretariat recommends that the Board consider the proposed guidance presented in paragraphs 13 and 14 of the CN and adopt the amendments of the VVS-PA and VVS-PoA as contained in appendices 2 and 3 of the CN with immediate effect.



Thank You



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