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Overview



- Who can verify and what skills do they need:
 - Independence
 - Competence
- How do we translate this into a national framework?





Who can verify? ISO14064: Part 3

"verifier

competent and independent person, or persons, with responsibility for performing and reporting on the verification process

NOTE This term can be used to refer to a verification body."

What does it mean to be 'competent' and 'independent'?







Independence





ISO14064: Part 3 Principles

Intended to guide those applying the document

"Independence

Remain independent of the activity being validated or verified, and free from bias and conflict of interest.

Maintain objectivity throughout the validation or verification to ensure that the findings and conclusions will be based on objective evidence generated during the validation or verification."





ISO14064: Part 3 Requirements

- "The validator or verifier selected to perform the validation and verification activities...
- b) shall be independent;
- c) shall avoid any actual or potential conflicts of interest with the responsible party and the intended users..."

ISO14065 gives more detailed guidance but it is not a requirement to conform to that standard

Need for program authority to provide specific guidance







Independence: some examples of real situations





NSW GGAS: Context

 State (provincial) government programme in Australia

Sydney is the capital city of New South Wales (NSW)

- Program came in force 1 January 2003
- Requires electricity sold in NSW to be 5% below 1990 emissions over the 1st Kyoto commitment period





NSW GGAS: Audit activity

- 12 approved 'auditors': may undertake 3rd party validation or verification
- 28 validations covering 47 projects in 2004
 - Total cost = AUD\$277,458
 - Average per project = AUD\$5,900
- To date: 30 verifications covering 90 projects
- 24 compliance audits (conducted in January and February each year)





NSW GGAS: Col examples

- An incumbent internal auditor of a project proponent wanted to conduct a verification of that firm's GHG project
- An energy efficiency project proponent wanted to use their energy advisors to verify their project.
- The Sydney office of a verification body advises the Sydney office of a project proponent. The Melbourne office of the verification body wanted to verify that company's project in Melbourne.





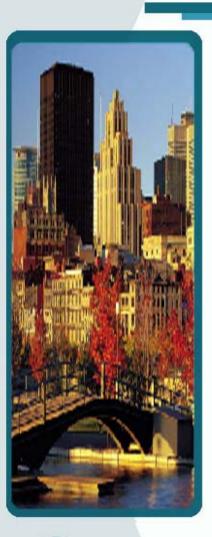
Key lessons

- Conflict of interest is a difficult, dynamic issue

 it is impossible to foresee every
 unacceptable circumstance and specifically
 disallow it
- Independence needs to be assessed on a case-by-case basis using sound guiding principles







Competence





ISO14064: Part 3 Requirements

- "The ... verifier selected to perform the validation and verification activities"

 a) shall demonstrate competence and due professional care consistent with their roles and responsibilities
- No firm definition of 'competence' provided in Part 3.
- Some informative guidance an annex to the standard.





ISO14064: Part 3 Guidance on competence

Assurance

- auditing of GHG data and information and data sampling methodologies, including the level of assurance
- materiality and verification plan
- risk assessment methodologies

General skills

- the legal rules
- requirements of the GHG programme
- accreditation requirements on the verifiers
- procedures for performing the verification work.

Engineering

- the processes that generate GHG emissions, and the technical issues associated.
- GHG emission or reduction quantification, monitoring and reporting methodologies used
- GHG removal or enhancement quantification, monitoring and reporting methodologies used

Science

 the biological systems that affect GHGs removals, and the technical issues associated



NSW GGAS An example of what can go wrong

- Project proponent had incorrectly applied a laboratory result from fuel testing
- Reasonable assurance was provided by the validator over record keeping processes and calculation methods
- Discrepancy = 100% (the project proponent was not entitled to any credits)





Key lessons

- Verifiers require significant capacity building in the early stages of a GHG programme (sometimes more than project proponents)
- Verification statements cannot be taken on 'face value' – some degree of review or supervision is required by the GHG programme
- It is very important that policies/procedures exist for verifier errors – mistakes happen, particularly early on







A national framework for Canada





Objectives

- Determine which organisations are suitably qualified to conduct verifications in Canada
- Manage and monitor verifications and verification body performance to build credibility and capacity
- Assist and support GHG programs in setting verification criteria and guidance





Criteria

- Compliance with ISO14065
 - Discussions underway to find implementation mechanism
 - One option is accreditation under the standard by Standards Council of Canada
- Fulfilment of competency criteria
 - Expert national committee has been formed to determine criteria
- Personnel required to undertake training
 - Courses scheduled for every 4 6 weeks across Canada in 2006





More information?



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