



**SPEED UP EMISSIONS
VERIFICATION, PLEASE!**

Validation issues in Latam & Caribbean Region

SGS Climate Change Programme
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Latin Carbon Conference - Lima, Peru
September 5, 2007.

WHEN YOU NEED TO BE SURE



Contents of presentation

- Brief introduction to SGS
- Description of Services
- Validation pitfalls
- Conclusions



THE WORLD'S **LEADING** INSPECTION, VERIFICATION, TESTING AND CERTIFICATION COMPANY.

- More than 48'000 employees
 - Europe, Middle East & Africa: 22'600 employees
 - Americas: 10'900 employees
 - Asia/Pacific: 15'100 employees
- A network of over 1'000 offices & laboratories



ENVIRONMENTAL SERVICES

“We need a reliable partner to help us even in the most difficult investigations.”



For all organisations with an Environmental Footprint

WE DELIVER:

- Monitoring, analysis & data interpretation of contamination in soil, water & air
- Verification & Certification of CO² emissions for mandatory & voluntary climate change programmes

TO HELP:

- Understand & reduce environmental risks
- Optimize processes to work effectively within the environmental regulations

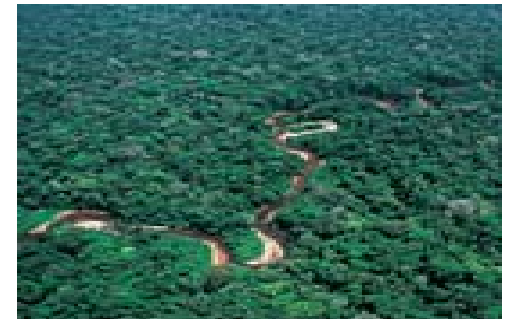
WHY SGS:

- The most comprehensive international network of analytical labs backed up by speciality experts (e.g. dioxins)

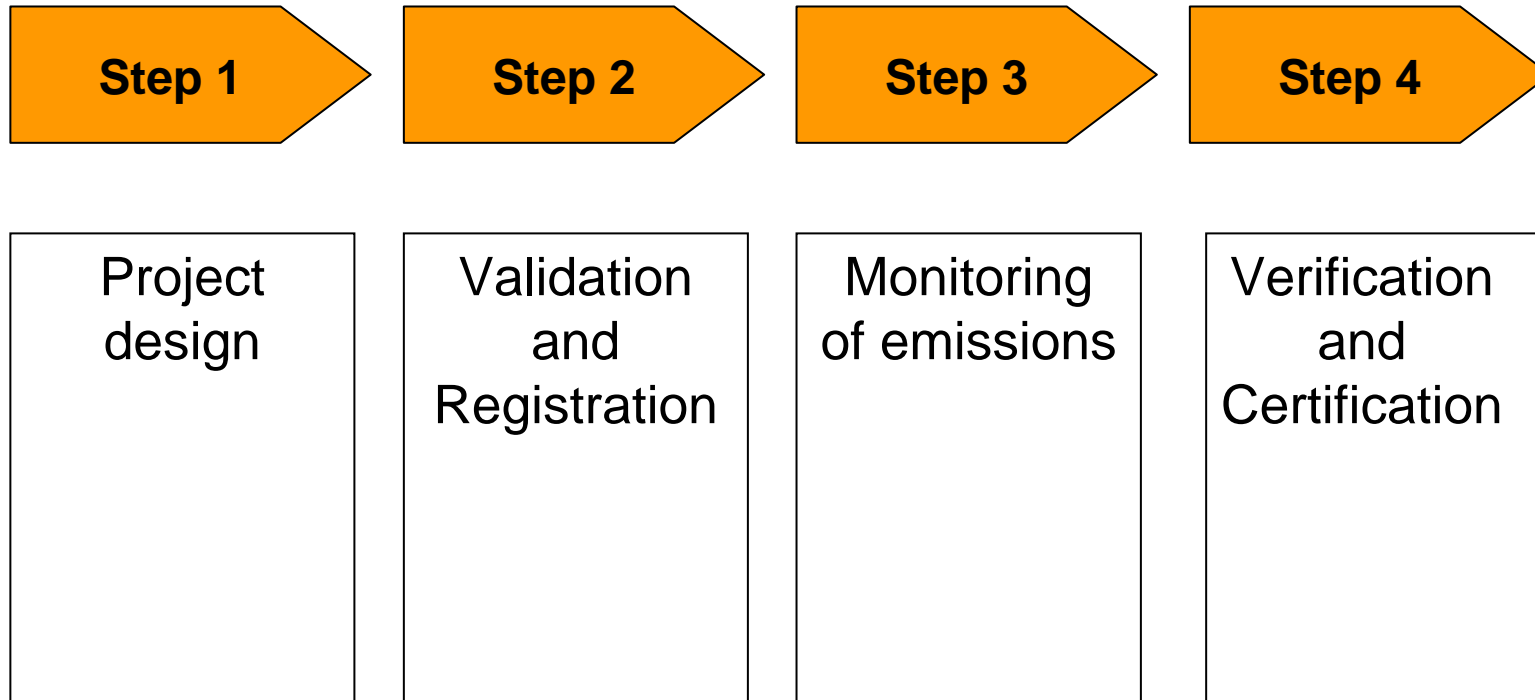
- Started in 1997; validating and verifying “sinks” projects
- Since then, expanded into all GHG sectors / all gases
- Accredited in all major initiatives:
 - Designated Operational Entity for CDM
 - Independent Entity for JI (Preliminary Accreditation)
 - EU ETS in 23 countries
 - CCAR, CCX in the US
 - ISO 14064 accreditation expected second half 2007



- Validation
 - Validated approx. 230 CDM and potential JI projects
 - Validated 15 voluntary forestry projects
- Verification
 - approx. 96 CDM projects mainly in scopes 1, 4, 13
 - Verification of 15 voluntary forestry projects

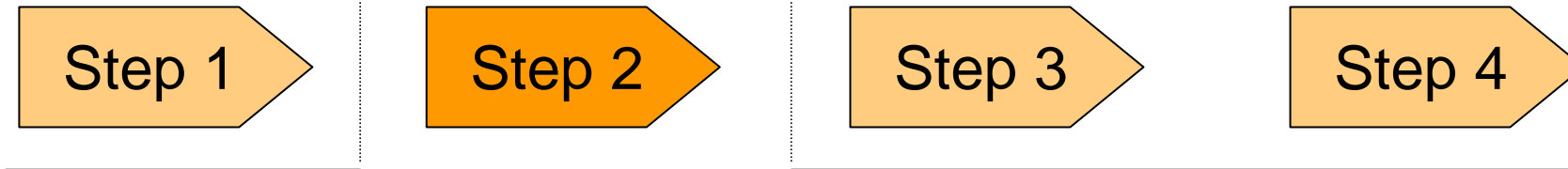


CDM Project Cycle



Project realisation

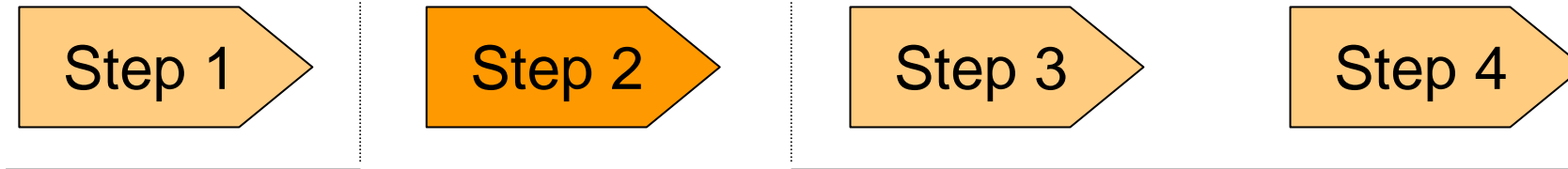




Typical Problems around Validation - 1

Baseline manipulation:

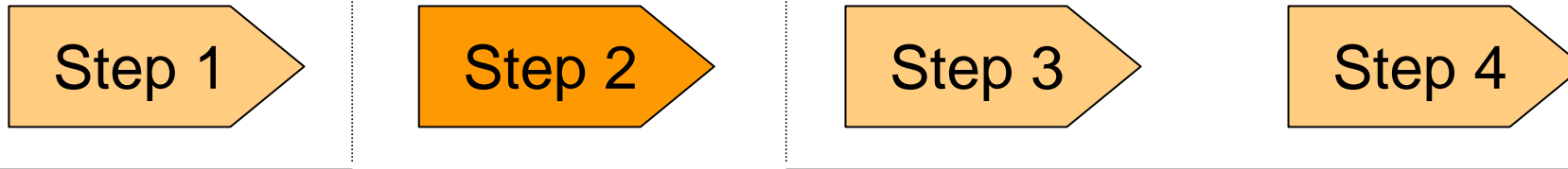
- Project developers try to squeeze their project into an existing AM that is not entirely suitable for their project
- Baseline scenario's are improperly described and justified to ensure additionality of the project
- Major risks to the baseline not identified/described



Typical Problems around Validation - 2

Tool for demonstration and assessment of additionality not followed:

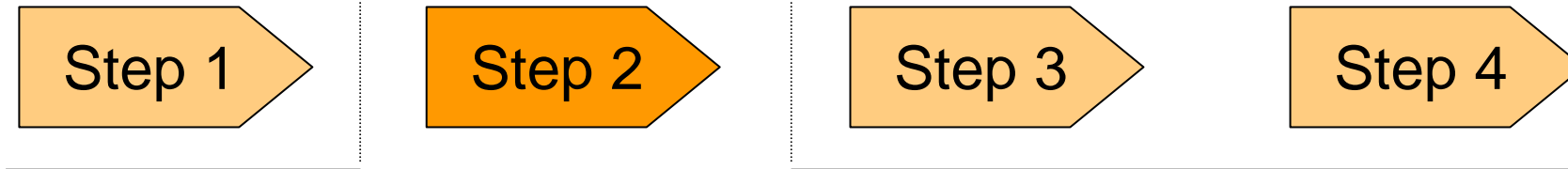
- Wrong benchmark chosen
- No documented evidence of barriers (investment, technical)
- Barriers described after implementation of the project
- Insufficient explanation of project additionality



Typical Problems around Validation - 3

PDD Format and content:

- Old version of PDD format.
- PDD format modified by the project developer.
- Inconsistency with the project participants.
- Project and/or crediting start date unclear.
- Old version of methodology.
- Deviations from monitoring methodology not justified sufficiently.
- Monitoring and project management procedures not defined.



Typical Problems around Validation - 4

Others:

- Delay to present the Modality of Communications (Discrepancy).
- Name of the project in PDD vs. Letter of Approval.
- Letter of Approval from DNA incomplete.
- Delay to provide key information from Project Developers.
- Delay to provide the LoA from DNA.

- PLEASE FOLLOW GUIDANCE FROM EB!
 With every meeting more guidance becomes available
- Ensure that you use the newest documents available through the CDM website – PDD, Additionality tool, Meth
- Ensure that you have identified strong barriers that could justify the additionality of the project.
- Do not start the validation process until all necessary elements of the project is considered.





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