

Adequate VVB capabilities

Full Description

V2: Adequate VVB capabilities. To have a sufficiently scaled ERC supply landscape, it is important to have equally sufficient and qualified entities within a market's validation and verification resources. Establishing minimum qualifications and licensing processes for these professionals is essential to maintain the integrity of ERCs generated by local projects, especially if the country is intending to roll out its own crediting system.

Guideposts for best practice

- Initiatives in place to enable the scaling of the validation and verification resources that can support the local ERC supply landscape
- [For countries with own crediting system] Identification of the licensing and operation qualifications for validation and verification resources to conduct the activities in alignment with the standards adopted
- Provisions for consistent, firm, and quality-based application of the relevant standards and methodologies for MRV with clear guardrails in place.

Sequencing for roadmap

Impact

High-MRV quality is the top consideration in buyers purchase decision, ability to uphold ERC quality highly dependent on local verification capabilities

Resources needed

Medium to High-Process of developing MRV capabilities often lengthy, complicated and involves many stakeholders; with option to implement basic functionalities to meet policy objectives before full system roll-out

Phase 2: Developing the pillars for market integrity

To ensure the successful development and implementation of an effective ERC ecosystem, regulators may consider the capability development for validation and verification resources as a multi-phase exercise. Each phase, as discussed below, will differ in level of engagement with the private sector. Countries may choose to start with a leveraged approach and progress to more proactive approaches as they build capabilities. This

strategy can help ensure that the development of the ERC ecosystem is sustainable and successful in the long term.

Model 1

Leveraged - Government leverages processes and capabilities currently available, potentially as it establishes the overall framework for ERCs. This can help governments learn about the capabilities needed while enabling existing ERC projects to proceed as planned. This is expected to be most relevant to countries at the early stages of ERC policy development, as well as those not intending to roll out a national crediting program.

Qualifications adopted

Patterned after global standards – leveraging infrastructure and licensing processes of the globally recognized standard-setting bodies (e.g., CDM, Verra, Gold Standard).

Requirements for verifier

- Proof of accreditation with global standard.
- Registration with country system (not always required).

Exemplars



Ghana. Ghana will continue to allow VVBs accredited by international crediting standards to operate in the country for ERC projects until new modalities are released.

Following new modalities, Ghana is expected to set local content requirements as well as other standards to bolster VVB integrity.

Model 2

Collaborative - Government aligns to the vetting and licensing process set by existing registry bodies/standard-setters to ensure that additional processes set are complementary to its own objectives, standards or policies. This is expected to be most relevant to countries intending to roll out a national crediting system.

Qualifications adopted

Build on top of global standards – incorporating a layer of complementary and market-aligned requirements in addition to those used by the standard-setters as informed by Phase 1 above to ensure that the country objectives are reflected while maintaining the accessibility of ERCs generated locally to potential buyers

Requirements for verifier

- Proof of accreditation with registry body/standard-setter
- May include additional exam for country-specific needs.
- Continuous training/educational courses.

Exemplars



California. California has permitted select registry operators (American Carbon Registry, Climate Action Reserve, and Verra), to facilitate the initial crediting of projects before exchanging into CARB's.

Similarly, VVBs accredited with such registries also licensed by CARB to operate as CARB VVBs

Model 3

Proactive - Government leverages learnings from earlier implementation and develops requirements and processes while maintaining alignment with global markets for local ERCs.. This is expected to be most relevant to countries intending to roll out a national crediting system.

Qualifications adopted

Build own standards for verification capabilities – setting own requirements and processes based on learnings from previous implementations for the verification capabilities while maintaining the accessibility of ERCs generated locally to potential buyers from the global markets.

Requirements for verifier

- May involve a separate examination and continuous accreditation process
- Continuous training/educational courses.

Exemplars



Australia. CER has its own staff and has established internal processes to control the verification process, including initial registration vetting, project assessment, monitoring and reporting, and issuance of ACCU.

Project verification undertaken by CER-accredited VVB; regularly reviewed by CER.

As a supplement to assessing this component, the Carbon Initiative for Development's (Ci-Dev) Standardized Crediting Framework¹ is recommended as a detailed and best practice guide for countries seeking to establish their own crediting framework and by extension, the necessary verification capabilities. It is the aim of this initiative to improve transparency of national crediting decision-making, reduce

transaction costs, and shorten time to generate the emissions reductions.

In addition, the Digital Monitoring, Reporting, and Verification Systems and Their Application in Future Carbon Markets² is recommended as a reference for the merits, guidelines, tools, and lessons learned for the use of digital monitoring, reporting and verification (D-MRV) systems for a country's carbon markets. This reference will also describe the resources needed, as well as the enabling policy and regulatory environment for such systems to be implemented.

Footnote 1: [Standardized Crediting Framework](#)

Footnote 2: [Digital Monitoring, Reporting, and Verification Systems and Their Application in Future Carbon Markets](#)

Related Content

[Strategic Guidance for Country System Assessments \(Download PDF version\)](#)

[Guidance for Countries in Assessing ERC Projects \(Download PDF version\)](#)

[World Bank Emissions Reduction Program: Mobilizing ERC Finance \(Download PDF version\)](#)

Additional Resources

[Sector-Specific Content on Climate-Smart](#)

[Climate-Smart PPPs: Further Reading and Resources](#)

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