Professiona lising GHG verification

The recent suspension of a leading CDM verification company has highlighted the need to ‘professionalise’ the auditors of greenhouse gas emissions, say Tim Stumhofer and Michael Gillenwater

The majority of those involved in the world of climate policy agree on one thing carbon markets are set, over the coming decades, for dramatic growth. They will likely play a central role in any post-2012 international climate change framework – which will need to deliver much greater volumes of greenhouse gas reductions than those pledged in Kyoto 12 years ago. And the world’s largest and second-largest economies – those of the US and Japan – are poised to introduce domestic greenhouse gas (GHG) trading schemes.

But there is also wide agreement that the emerging system for auditing emissions reductions is already cracking – albeit under the weight of recent exponential growth in offset project verification work.

We believe that key to coping with these new pressures and ensuring the credibility of a growing carbon market is the professionalisation of GHG verification roles.

In its 50th meeting this October in Bangkok, the Clean Development Mechanism (CDM) Executive Board (EB) made its strongest push to date towards such professionalisation. The statements made by the EB came as part of a series of recommendations for strategic improvements to the function of the CDM in response to a mandate from signatories to the Kyoto Protocol. The EB singled out the need for better training and specifically identified personnel certification as an opportunity to professionalise the work of Designated Operational Entities (DOEs), the private sector organisations charged with auditing CDM projects: “The Board will contribute to the establishment of a training process which could raise levels of professionalism in the CDM field. It encourages private and public institutions to develop and provide training programmes in support of this process. The Board further agreed that, if a certification process became operational, it would make the employment of certified staff a requirement under the accreditation standard for DOEs.” (Our emphasis.)

While training and competency standards that lead to individual certification are a common model applied to a range of disciplines, it would be naive to suggest that the EB’s new preference for professionalisation originated in a policy vacuum. Indeed, lacking a clear career path and established supporting institutions, the competency of individuals working across the spectrum of GHG functions has been inherently shaky since the relatively recent conception of policies and markets requiring GHG services – eg, measurement, management and verification. Fuelled by policy and prodded by maturing GHG emissions trading markets, the field’s continued prodigious year-on-year growth has dramatically increased the demand for qualified practitioners. The pending adoption of proposed policies and agreements suggests there are significant human capacity shortages on the horizon.

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Time to certify the verifiers?

Coupled with other recent EB interactions with DOEs (eg, the November 2008 suspension of Det Norske Veritas and the recent rejection of Japan Consulting Group’s re-accreditiation submission), the SGS suspension is widely viewed as signalling a maturation of the EB’s governance responsibility to oversee verification organisations. This progress, in concert with the issues that the EB identified as at the root of the SGS suspension, logically supports the case for individual professional certification.