

**THIRTEENTH PROGRESS REPORT
OF THE
CDM ACCREDITATION PANEL (CDM-AP)**

Twenty-Third Meeting of the CDM-AP

4 – 6 September 2006

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I. Introduction

1. This thirteenth progress report covers the period from 21 June 2006 to 6 September 2006. During this period the accreditation panel (CDM-AP) held only one meeting.

II. Roster of Experts

2. The number of experts in the roster is gradually increasing but not meeting the demand for carrying out the assessment work for increasing number of new applications and also witnessing activities. Therefore, the CDM-AP is facing sever difficulties in availability of experts and, in particular, non-availability of Meth experts to participate in witnessing activities.

3. The CDM-AP, realizing the seriousness of the problem, had a detailed consideration of its roster of experts and took a serious note of limited availability of experts and also overburdening of work on some team members and team leaders. It was also noticed that persistent nature of this problem has resulted into delays and in some cases weakening quality of the assessment work. The CDM-AP considered various options to address the issue so that accreditation process could be undertaken in an efficient and timely manner. The CDM-AP reiterated the need to expand the expert resources and requested the CDM-AP members and the secretariat to reach out to experts to provide information about the CDM accreditation scheme and need for the experts. The CDM-AP is also re-considering the fee paid to assessment team members for their assessment work. A recommendation shall be forwarded for the consideration of the Board at its next meeting.

4. The CDM-AP also considered an option for the possibility to seek availability of experts for the assessment work on a longer-term basis. It was considered that a limited number of experts to be contracted on a yearly basis for estimated number of days of assessment work. The CDM-AP requested the secretariat to explore the feasibility of this option and agreed to consider it at its next meeting. The CDM-AP, in establishing its teams, continues to take into consideration the issue of capacity building and regional balance in the assessment teams (ATs). For regional distribution of team leaders and team members please refer to the table in annex 1.

III. Status of applications

5. The total number of active applications currently under consideration by the CDM-AP is 35. Since the last Board meeting, four new applications have been received. It should be noted that two applications are received from the entities located in non-Annex I Parties.

6. The **geographical distribution of the 35 applications** under consideration is as follows: 15 are from Asia and Pacific region, 17 from Western Europe and Other region, two from Latin America and Caribbean region and one from African region. Six applicants from the Asia and Pacific region, two from Latin America and Caribbean region and one from the African region are from Non-Annex I Parties (Republic of Korea (2), Malaysia (2), China (2), Columbia, Brazil and South Africa). Thus a total of nine applications are from Non-Annex I Parties and one from economies in transition country.

7. The CDM-AP had the initial consideration of four applications and identified particular issues for the attention of the CDM-ATs. The CDM-AP also agreed on the work plans and established the CDM-ATs to undertake the detailed assessment work. With regard to other entities two are addressing nonconformities in accordance with the procedure for accreditation, for one AE the documentation was found incomplete. For five AEs witnessing activities are at different stages.

8. A total of sixteen entities are accredited for validation functions and five for verification functions, covering a wide range of sectoral scopes. It may be noted that at least one DOE exists for each sectoral scope.

9. The Board may also wish to note that 23 entities have been issued indicative letters by the CDM-AP so far, which indicates that these entities have successfully passed the stage of desk review and on-site assessment. Seven AEs out these 23 are waiting for the witnessing activities to accomplish their accreditation. For details on status of all applications please refer to the overview table in annex 2.

IV. Indicative letters and recommendation for accreditation

10. During this period the CDM-AP has issued any indicative letters to following entities:

- (a) Shin Nihon Environmental and Quality Management Research Institute Co., Ltd (Shin Nihon)
- (b) Nippon Kaiji Kentei Quality Assurance Limited (NKKKQA)

11. The CDM-AP **considered cases for recommendations regarding phased accreditation for validation and verification/certification** and its deliberation on this matter are presented to the Board under strict confidentiality.

V. Other recommendations

12. The CDM-AP recommends the revised ‘procedure for accrediting operational entities by the Executive Board of the CDM’ to the Board for its consideration and adoption, as contained as annex 3. The Board considered the revised accreditation procedure at its twenty-fifth meeting and requested for more clarifications and revisions. The CDM-AP, at its twenty-third meeting, considered the requests from the Board and further revised the procedure accordingly. The Board may wish to note that, following the request of the Board, the CDM-AP agreed to include a visit to the project site by the CDM assessment team in undertaking witnessing activities for verification purposes and included the necessary procedural steps. The CDM-AP further revised the re-accreditation section of the revised draft accreditation procedure. The CDM-AP also agreed to keep the procedure under review to further revise, as appropriate.

13. The CDM-AP draws attention of the Board to the difficulties faced by some AEs in witnessing activities due to the revision of approved baseline and monitoring methodologies. The procedures for the revision of an approved baseline and monitoring methodology ¹ specifies that the revision of a methodology shall not affect project activities that use the previously approved methodology for which requests for registration are submitted before or within eight (8) weeks after the methodology was revised. The CDM-AP realized that in case of witnessing activities it is not possible for AEs to comply with the eight weeks deadline due to the time required to complete the witnessing process. Taking into consideration these difficulties, the CDM-AP recommends to the Board that in case of witnessing activities if an approved baseline and monitoring methodology is revised, an additional six weeks be granted for submission of request for registration.

¹ Annex 18 of the EB 25 report.

VI. Other outputs of the panel

14. The CDM-AP, in response to the request of the Board, submits to the Board a document elaborating the process to define the scope of the re-accreditation assessment work taking into consideration the performance of the DOE. The CDM-AP agreed on the need for specific guidance to the CDM-ATs on how to integrate and take into consideration this into the assessment of the DOEs. The document is contained as annex 4.

VII. Key Issues under consideration

15. The CDM-AP briefly discussed the request of the Board to consider and recommend options to the Board on how to facilitate applications for accreditation from entities located in Non-Annex I Parties to the Convention, keeping in view the cost associated with the accreditation process. Due to time constraints, the CDM-AP could not conclude the discussion and agreed to further discuss the request at the next meeting and recommend options to the Board. The CDM-AP assigned lead roles to two panel members to explore the possible options.

16. The CDM-AP recognized the importance of the uniformity and harmonization in the assessment process and, in particular, in the assessment reporting. The CDM-AP noted differences in the understanding of key concepts relating to the accreditation and assessment process amongst the team leaders and team members and agreed that further guidance is needed. The CDM-AP requested the secretariat to find out the possibility for additional resources to undertake an assessment of the accreditation process and identify those areas where further guidance and clarifications are required by the CDM-AP. Furthermore, to prepare a compilation of all the clarifications and guidance notes for the CDM-ATs to facilitate their assessment work.

17. The CDM-AP, as part of its efforts to improve its evaluation mechanism of the performance of the CDM-ATs, agreed to put into place a mechanism for the assessed entity to provide feedback on the performance of CDM-ATs. The CDM-AP considered a form for the entity to provide feedback on the performance of the CDM-AT during the assessment. The CDM-AP due to time constraints could not consider the form at this meeting.

18. To ensure systematic management of the CDM accreditation documents and records, the CDM-AP, with the assistance of the secretariat, is developing “**document control and record management procedures**”. This item has been put on hold till more resources are available at the secretariat to carry the document forward.

Annex 1

Table: Regional distribution of team members

(in bold character members from Non-Annex I Parties)

Organisation	Leader	Member	Member
0001 JQA	AFR	WEO	AFR
0002 JACO CDM	ASP	ASP	ASP
0003 DNVCert	AFR	WEO	LAC
0004 CHUO	ASP	ASP	WEO
0005 TÜV Sued	WEO	WEO	AFR
0006 TECO	ASP	WEO	ASP
0007 JCI	AFR/WE O	ASP	ASP
0008 AZSA	ASP	LAC	WEO
0009 BVQI	AFR	ASP	WEO
0010 SGS	ASP	WEO	WEO
0011 KEMCO	WEO	ASP	WEO
0012 PWCC	Application Withdrawn		
0013 TÜV Rhein.	WEO	WEO	AFR
0014 KPMG	WEO	WEO	AFR
0015 URS	Application Withdrawn		
0016 ERM-CVS	WEO	WEO	ASP
0017 Clouston Env.	AFR	ASP	ASP
0018 BSI UK	AFR	ASP	WEO
0019 Nexant	Application Withdrawn		
0020 CRA	WEO	WEO	ASP
0021 AENOR	AFR	ASP	WEO
0022 RWTÜV	AFR	WEO	WEO
0023 LRQA*	AFR	ASP	WEO
0024 ICONTEC	AFR	ASP	LAC
0025 KFQ	WEO	WEO	ASP
0026 TECPAR	ASP	ASP	LAC
0027 SQS	WEO	ASP	WEO
0028 Shin Nihon	ASP	WEO	ASP
0029 PWC, SA	ASP	AFR	WEO
0030 NKKKQA	ASP	ASP	WEO
0031 Perry Johnson	WEO	ASP	LAC
0032 LGAI Tech.	WEO	WEO	AFR
0033 ECA Cert.	WEO	AFR	ASP
0034 CEC	WEO	ASP	ASP
0035 Tsinghua	WEO	ASP	LAC
0036 AWMS	WEO	WEO	AFR
0037 RINA S.p.A	WEO	LAC	ASP
0038 SIRIM QAS Int.	ASP	WEO	AFR

Annex 2

Table: Status of application of AEs

Entity	Completeness check	Initial consideration	CDM-AT	Work plan	Desk review	Add. Docs	On-site assessment	Witnessing activities	Indicative letter	Phased Accreditation and provisional designation
E-0001 / JQA	X	X	X	X	X	PR	X	WOP	I (1.12.03)	AC (24.03.04) AC (11.05.05)
E-0002 / JACO CDM	X	X	X	X	X	PR	X	WOP	I (4.2.05)	AC (23.2.05)
E-0003 / DNV Cert	X	X	X	X	X	PR	X	WOI	I (1.12.03) Ie (5.2.05)	AC (24.03.04) AC (12.06.04) AC (08.06.05) ACv (29.9.05)
E-0004 / CHUO	X	X	X	X	X	N	X	X	I (23.04.05)	
E-0005 / TUEV sued	X	X	X	X	X	PR	X	WOI	I (1.12.03) Ie (5.2.05)	AC (12.06.04) AC (23.2.05) ACv (28.9.05) AC (24.11.05) ACv (22.02.06)
E-0006 / TECO	X	X	X	X	X	N	X	WOI	I (1.12.03)	AC (11.05.06)
E-0007 / JCI	X	X	X	X	X	PR	X	WOI	I (26.7.04)	AC (11.05.05) AC (24.11.05)
E-0008 / AZSA Sustainability Co.	X	X	X	X	X	PR	X	NP	I(13.11.04)	
E-0009 / BVQ	X	X	X	X	X	PR	X	WOI	I (15.3.04)	AC (08.07.05) ACv (11.05.06)
E-0010 / SGS UK Ltd	X	X	X	X	X	PR	X	WOI	I (25.5.04) Ie (23.4.05)	AC (12.06.04) AC (23.2.05) AC (08.07.05) AC (28.9.05) ACv (24.11.05)
E-0011 / KEMCO	X	X	X	X	X	PR	X	WOI	I (13.11.04)	AC (25.11.05)
E-0012 /PWCC	Application Withdrawn									
E-0013 / TUEV Rhein	X	X	X	X	X	PR	X	WOP	I (25.5.04)	AC (13.05.05) AC (22.02.06)

Entity	Completeness check	Initial consideration	CDM-AT	Work plan	Desk review	Add. Docs	On-site assessment	Witnessing activities	Indicative letter	Phased Accreditation and provisional designation
E-0014 / KPMG	X	X	X	X	X	N	X	XNC	I (4.2.05)	AC (08.07.05)
E-0015 / URS	Application Withdrawn									
E-0016 / ERM	X	X	X	X	D	N	XNC	NP	N/A	
E-0017 / Clouston*	X	X	X	X	RD	N/A	N/A	N/A	N/A	
E-0018 / BSI	X	X	X	X	X	N	X	WOI	I (23.04.05)	AC (11.05.06)
E-0019 / Nexant	Application Withdrawn									
E-0020 / CRA	X	X	X	X	D	PR	X	N/A	I (25.11.05)	
E-0021 / AENOR	X	X	X	X	X	PR	X	WOI	I (5.2.05)	AC (13.05.05) ACv (11.05.06)
E-0022 / RWTUV	X	X	X	X	X	PR	X	WOI	I (4.2.05)	AC (28.9.05)
E-0023 / LRQA	X	X	X	X	X	PR	X	WOI	I (4.2.05)	
E-0024 / ICONTEC	X	X	X	X	X	PR	X	WOI	I (19.06.05)	
E-0025 / KFQ	X	X	X	X	X	PR	X	WOI	I (23.04.05)	AC (25.02.06)
E-0026 / TECPAR ¹	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0027 / SQS	PX	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
E-0028 / Shin Nihon	X	X	X	X	D	N	X	N/A	I (06.09.06)	
E-0029 / PWC, SA	X	X	X	X	X	N	X	WOI		AC (11.05.06)
E-0030 / NKKKQA	X	X	X	X	D		X		I (06.09.06)	
E-0031 / Perry Johnson	X	X	X	X	D		XNC			
E-0032 / LGAI Tech.	X	X	X	X	D		XNC			
E-0033 / ECA Cert.	X	X	X	X	N/A	N/A	N/A	N/A	N/A	
E-0034 / CEC China	X	X	X	X	N/A	N/A	N/A	N/A	N/A	
E-0035 / Tsinghua	X	X	X	X	N/A	N/A	N/A	N/A	N/A	
E-0036 / AWMS	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	
E-0037 / RINA	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	
E-0038 / Sirim Qas Int	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	

Note: E-0012 / PWC C, E-0015 URS Corporation and E-0019 Nexant withdrew their applications

** The entity has not submitted adequate documentation at the desk review stage as requested by the panel.*

Legend:

X=stage completed

PX= partly completed

N/A= stage not yet reached

PR=provided

NP=not provided

N=not requested

D=Drafting

P=Planned

DC=Dates confirmed

RD=Requested Delay

WOI = Witnessing opportunities identified by AT

WOP =Witnessing opportunities proposed by AE

WOIa = WOI identified for all sectoral scope(s) applied for

WOPa = WOP identified for all sectoral scope(s) applied for

I (date) = Issuing date

Ie (date) = Issuing date for scope extension

AC (date) = Accredited and provisionally designated

XNC = AE addresses non-conformities

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Annex 3

Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM)

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I. Introduction

1. In accordance with the modalities and procedures for a clean development mechanism¹ (CDM M&P)², the Executive Board (EB) of the clean development mechanism (CDM) shall accredit operational entities which meet the CDM accreditation requirements and recommend the designation of such entities to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP).
2. This document (hereinafter referred to as “CDM accreditation procedure”) contains the procedure to operationalize the accreditation of operational entities by the EB which has been elaborated in accordance with paragraph 5 (f) (ii) of the CDM M&P and taking into consideration paragraphs 18 and 25 of the CDM M&P. The EB may revise this CDM accreditation procedure in the future. The EB shall inform any applicant entity (AE) and any designated operational entity (DOE) of any such revisions. Any revision shall be immediately made public on the UNFCCC CDM website. A revised CDM accreditation procedure supersedes any previous version of this document as of the date indicated on the document. A revision to a step in the procedure shall not be applied retroactively if an AE started to undergo this step of the procedure before the relevant revision took effect.
3. Figure 1 illustrates the scheme for the CDM accreditation procedure. The responsibility of each actor in this scheme, as elaborated in section C. below, is as follows:
 - (a) The **COP/MOP** designates operational entities based on a recommendation by the EB.
 - (b) The **EB** takes the decision whether or not to accredit an AE³ and recommend it to the COP/MOP for designation.⁴
 - (c) The **CDM accreditation panel (CDM-AP)** is responsible for preparing a recommendation to the EB regarding the accreditation of an AE based on assessment work conducted by a CDM assessment team (CDM-AT). The CDM-AP is also responsible for preparing recommendations regarding unscheduled surveillance, re-accreditation and accreditation for additional sectoral scope(s). The CDM-AP provides guidance to and approves the work plan of each CDM-AT.
 - (d) A **CDM assessment team (CDM-AT)**, under the guidance of the CDM-AP, undertakes the detailed assessment of an AE and/or DOE, identifies non-conformities and reports to the CDM-AP. A CDM-AT shall be established by the CDM-AP which draws members from a roster of experts established by the EB for this purpose. For witnessing purposes, the team shall include a methodological expert.
 - (e) The **secretariat** supports the implementation of the CDM accreditation procedure.
4. The assessment of an AE consists of three main elements:

¹ See Annex D.5. for abbreviations used in this document.

² See decision 3/CMP.1 contained in the document (FCCC/KP/CMP/2005/8/Add.1) available on the UNFCCC (<http://unfccc.int>) web site).

³ The terms used in this document are: “Entity” = prior to application; “applicant entity (AE)”= once application has been duly submitted/subject to a procedure contained in this document; “designated operational entity (DOE)”= after designation by COP/MOP.

⁴ In accordance with decision 21/CP.8, the Executive Board is authorized to accredit operational entities and designate them, on a provisional basis, pending the designation by the Conference of the Parties at its next session. Accreditation by the Board implies, therefore, provisional designation.

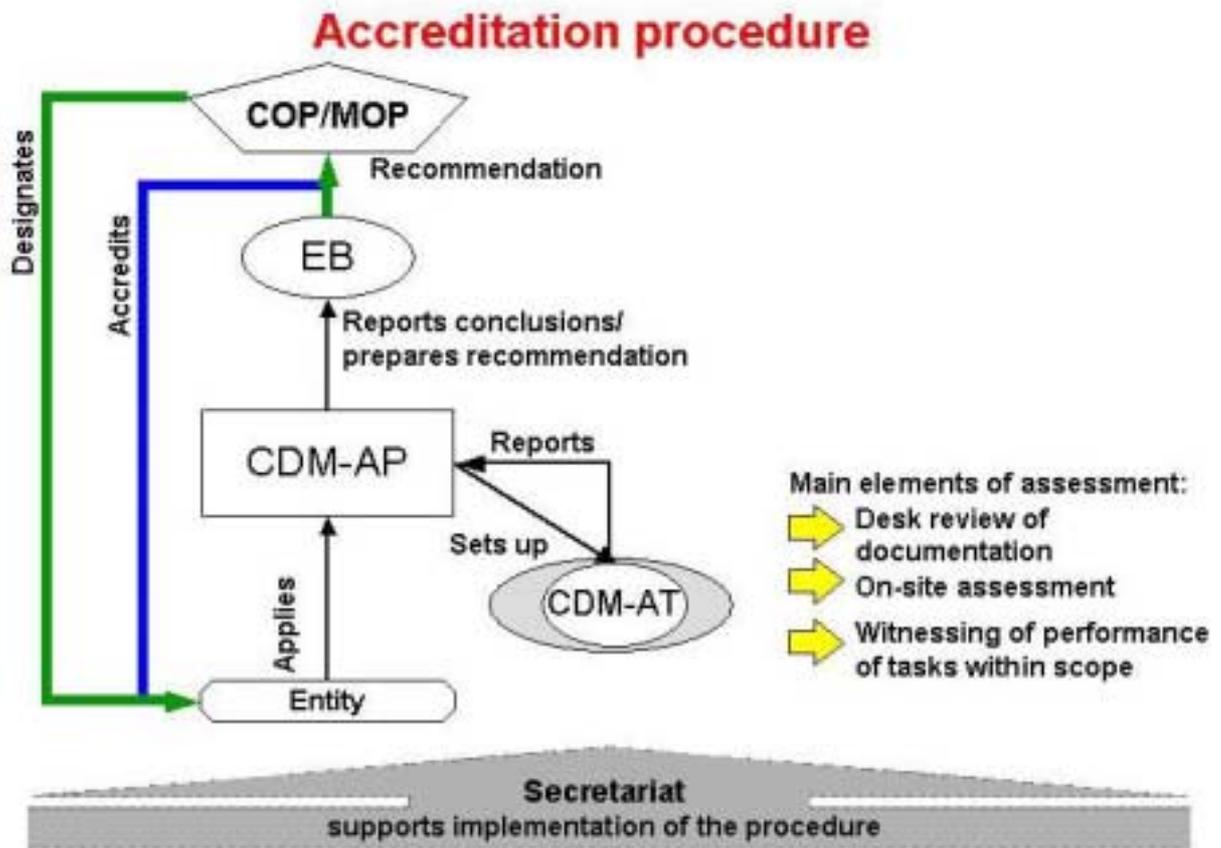
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- (a) **Desk review** by a CDM-AT of the documentation submitted by an AE against the CDM accreditation requirements;
- (b) **On-site assessment** on the premises of the AE by a CDM-AT. The purpose of this assessment is to confirm whether the operational capability of the AE meets the requirements provided in the documentation provided by the AE. The assessment is to provide the assurance that the AE has the capacity to perform the tasks related to the “sectoral scope(s)” of accreditation for which it has applied. Only those premises of an AE where the on-site assessment took place shall receive the accreditation/designation as an operational entity. Any other part of that entity is not accredited/designated.
- (c) **Witnessing** by the CDM-AT of the performance of tasks by an applicant entity⁵ which relate to the scope of accreditation for which it has applied (for more information on scope of accreditation see section B). Witnessing activities provide the opportunity for the CDM-AT to witness the performance of tasks by an applicant entity which relates to the scope (or a group of sectoral scope(s)) of accreditation for which it has applied. The purpose of a witnessing activity is to assess whether an AE is implementing its tasks in line with its documented quality policy and procedures, including its procedures and substantive decision making capacity of the AE for performing validation and verification/certification of CDM project activities within the scope applied for. Witnessing activities shall be required for both functions: validation and verification. Witnessing activities of validation, and, if appropriate, verification and certification, may be undertaken by considering documentary evidence (e.g. a “procedural report”) provided by an AE on how validation or verification/certification has been performed. (See details in section C.4. witnessing activities)

5. In accordance with paragraph 20 (e) of the CDM M&P, the EB shall conduct a “spot-check” at any time with a view to assessing whether a DOE still meets the accreditation requirements. A “**spot-check**” is an unscheduled assessment activity of a DOE involving the CDM-AP and CDM-AT on the basis of which the CDM-AP shall prepare a recommendation to the EB. The EB shall take a final decision on the status of accreditation of a DOE that has undergone a “spot-check”(for more information see section C.5.).

⁵ The tasks witnessed shall be carried out on either proposed and/or registered CDM project activities, as applicable.

Figure 1



II. Scope of accreditation

B.1. Definition of scope of accreditation

6. The scope of accreditation of a DOE is defined by the EB to be composed of functions (validation and verification/certification) and sectoral scope(s) of accreditation. The scope with regard to functions specifies the limits to the work of a DOE in validation or verification/certification areas. Whereas a sectoral scope(s) of accreditation sets the limits for work which a DOE may perform under the CDM with regard to validation as well as verification and certification related to identified sector(s) (referred to hereinafter as “sectoral scope(s)”⁶) and determines the requirements it shall meet in addition to those determined in Appendix A to the CDM M&P.

B.1.1 Phasing of accreditation

7. The accreditation of an operational entity may be undertaken in phases, both in functions and sectoral scope(s) and shall be recommended on the basis of sectoral groups⁷. The phasing of accreditation depends on the successful completion of a witnessing activity for a particular sectoral group and size (large or small) of the project activity. The successful completion of a witnessing activity in one

⁶ “Sectoral scope(s)” of accreditation are established towards operationalizing the requirements contained in sub-paragraphs 1 (b) and 1 (f) (vi) of appendix A to the CDM M&P and for providing the potential for wider geographical distribution of designated operational entities. The development of “sectoral scopes” is guided by the sector/source categories contained in Annex A of the Kyoto Protocol.

⁷ The CDM-AP has ~~divided~~ **grouped** the sectoral scopes into sectoral groups in order to facilitate the witnessing — activities.

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function (e.g. validation) for a group of sectoral scopes (sectoral group) may allow the entity to be eligible for accreditation for the other function (e.g. verification) in the same and concerned sectoral group(s). (For details see annex D. 6)

8. An entity can only be accredited for its both functions, i-e validation and verification/certification, if a witnessing activity in a sectoral scope has been successfully undertaken, in each of the two functions, on the basis of one large scale project activity. In any event, before being accredited for both functions, the AE shall have successfully concluded the desk review, the on-site assessment and witnessing activities for the recommended sectoral scopes. The full accreditation shall only be granted to an AE once all validation and verification/certification activities have been successfully witnessed in accordance with the work plan related to the AE.

9. An entity may apply to be accredited for at least one “sectoral scope”. A DOE may apply to be accredited for additional “sectoral scope(s)”.

B.2. Procedure to develop the list of “sectoral scopes” of accreditation

10. In accordance with paragraph 5 (f) (ii) of the CDM M&P, the EB establishes a list of “sectoral scope(s)” of accreditation defining, for each “sectoral scope”, the requirements to be met in addition to those determined in Appendix A of the CDM M&P. The list will be available electronically on the UNFCCC CDM web site under the section “designated operational entities”.

11. The CDM-AP may add a new sectoral scope(s) to the list of sectoral scope(s).

12. In addition, an AE/DOE may propose new “sectoral scope(s)” which it applies for.

13. The entity that wishes to propose new “sectoral scope(s)” shall submit, together with its application, a brief description of each of the proposed “sectoral scope(s)” including the proposed requirements which an entity shall meet in addition to those determined in Appendix A of the CDM M&P.

14. At the meeting at which the CDM-AP considers the application file (see section C.1.), it shall, prior to considering any other part of the application documentation:

- (a) Consider any “sectoral scope(s)” proposed by the AE;
- (b) Define, taking into account the possibility of revising existing scope(s), new “sectoral scope(s)”, if applicable.

15. If the CDM-AP defines a new “sectoral scope” without modifications to the proposal made by the AE, it proceeds with the CDM accreditation procedure (see section C.1.) by considering the application file. The newly defined “sectoral scope(s)” shall be registered in the list of “sectoral scopes”.

16. If the CDM-AP has modified a “sectoral scope” proposed by the AE, the modified “sectoral scope” shall be registered as a new “sectoral scope” in the list of “sectoral scopes” and the list shall be made publicly available. The “CDM accreditation procedure” shall apply with the following modifications:

- (a) The CDM-AP shall preliminarily consider the application documentation in accordance with the CDM accreditation procedure and provide a list of the additional requirements and/or documentation to be submitted in function of the new “sectoral scope(s)”.
- (b) The AE shall be informed of:

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- (i) The new “sectoral scope(s)”;
- (ii) The additional requirements and/or documentation required, if applicable;
- (iii) The composition of the CDM-AT.

17. In accordance with the accreditation procedure, the AE shall reply in writing within six (6) working days after the date it received the information in accordance with paragraph 16 (b) of the present procedure whether it wishes to proceed with its application for the new “sectoral scope(s)” or withdraw its application.

18. If it wishes to proceed with its application, it shall also inform, within the same deadline, whether it objects or not to the composition of the CDM-AT in accordance with the provisions of the “CDM accreditation procedure”.

19. The secretariat shall publish the name of the AE and the sectoral scope(s) applied for by the AE on the UNFCCC CDM web site. Parties, NGOs accredited with UNFCCC or stakeholders shall have 15 days to provide any comments or information on the AE to the secretariat. The secretariat shall make publicly available the comments received immediately after the end of the 15 days period.

20. The DOEs/AEs shall be given an opportunity to apply for a new sectoral scope(s) within six (6) months, without paying additional application fees, after the date the revised list of sectoral scope(s) is made publicly available and announced through the UNFCCC CDM News facility. For information on costs see section D.3. (Annex on fees and costs)

21. The accreditation procedure (see section C.1.) shall be implemented thereafter.

III. Accreditation, unscheduled surveillance, re-accreditation and notification of changes

C.1. Accreditation

22. The accreditation procedure comprises⁸ the following main steps:

- (a) The application for accreditation by an entity;
- (b) The preliminary consideration of the application file by the CDM-AP;
- (c) The desk review by a CDM-AT of the documentation provided by the AE;
- (d) On-site assessment by the CDM-AT on the premises of the AE;
- (e) A number of witnessing activities by the CDM-AT as requested by the CDM-AP, to assess whether the AE can perform validation and verification/certification tasks⁹ as a DOE in the scope(s) of accreditation for which it has applied for;
- (f) The reporting of the CDM-AT to the CDM-AP;
- (g) The recommendation on accreditation by the CDM-AP to the EB;

⁸ The accreditation procedure shall be implemented using, to the extent possible, teleconferencing and electronic communication facilities.

⁹ In accordance with decisions of the Executive Board on the definition of scope of accreditation, an applicant entity shall only be accredited and designated if it qualifies for both validation as well as verification and certification with regard to “sectoral scope(s)” applied for. The Executive Board agreed, however, that a phased approach is possible in accordance with its conclusions at its sixth meeting.

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- (h) The decision by the EB¹⁰ on accreditation and, therefore, recommendation for designation to the COP/MOP.
23. An entity shall submit to the secretariat a duly completed application form (F-CDM-A¹¹) and all the documentation specified in the annex D.1. "Application documents"¹². Unless otherwise stipulated in the "CDM accreditation procedure", all information, communications and meetings shall be confidential.
24. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee. As the costs of accreditation are to be borne by the AE (see annex D.3 "Fees"), the related step in the accreditation procedure shall only be implemented once payments are received. The processing of accreditation steps shall be commenced in the order in which the associated fees are received.
25. The secretariat shall undertake the completeness check of documents and information submitted against requirements. If the documentation is not found complete, the secretariat shall inform the AE of the missing elements it has identified. The accreditation procedure shall be continued once all documentation is received.
26. The AE shall inform the CDM-AP in writing of any change pertaining to the information submitted and/or required for accreditation. Depending on the nature and timing of the changes, there may be a cost associated with the changes indicated by the entity. (see annex D.3. "Fees")
27. The secretariat shall publish the name of the AE and the sectoral scope(s) applied for by the AE on the UNFCCC CDM web site. Parties, NGOs accredited with UNFCCC or stakeholders shall have 15 days to provide any comments or information on the AE to the secretariat. The secretariat shall make publicly available the comments received immediately after the end of the 15 days period. If the AE proposes new sectoral scope(s), this information shall be published in accordance with the procedure in section B.2.
28. Once the application documents are complete, the secretariat shall prepare an application file and send it to the CDM-AP. The file shall contain:
- (a) All application documents;
 - (b) Suggestions with regard to:
 - (i) A list of possible candidates for the CDM-AT¹³ (identifying those qualified as team leaders);
 - (ii) A draft work plan.
29. The draft work plan shall include any particular issues for the CDM-AP to consider.

¹⁰ See footnote 4 above.

¹¹ Requirements implicit in the questions contained in the forms shall be considered as prescriptive and as explicit provisions reflecting the intention of the generic provisions described in Appendix A to the CDM M&P "Standards for the accreditation of operational entities". The list of forms is available in the annex "Forms used in the CDM accreditation process". The application form is available on the UNFCCC CDM web site in the section "Designated operational entities" or can be requested from the secretariat.

¹² The CDM-AP shall only accept the application from a legal entity but not from a section thereof. A person who is formally authorized to represent the legal entity shall submit the application.

¹³ In order to strengthen local capacities in Parties not included in Annex I, an additional representative of a national accreditation body relevant to the field and/or a national expert may be invited to join the activities of the CDM-AT as an observer, at his/her cost and bound by the same confidentiality and non-disclosure agreement applicable to CDM-AT members. The modalities for implementing this provision will need to be considered by the EB in due course. See UNFCCC CDM web site for more information.

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30. The CDM-AP, at its next meeting, shall:
- (a) Review the application documentation and, as appropriate, consider and review the particular issues identified for the assessment. The CDM-AP may decide to review the application documentation electronically;
 - (b) Choose the members of the CDM-AT and identify the CDM-AT team leader. A CDM-AT shall consist of at least three members, among them the team leader. The size of a CDM-AT may vary depending on the size of the AE, the documentation submitted and the “sectoral scope(s)” of accreditation applied for.
31. The CDM-AP shall inform the AE, through the secretariat, of the composition of the CDM-AT. The AE may object, in writing to the CDM-AP within six (6) working days, to member(s) of the CDM-AT identifying an alleged conflict of interest of the CDM-AT member(s). In case the CDM-AP finds the objection substantiated, it shall identify replacement(s) for the CDM-AT member(s) in question.
32. Each CDM-AT member shall sign the confidentiality and non-disclosure agreement form (F-CDM-CA).

C.2. Desk Review

33. The CDM-AP shall provide the CDM-AT with:
- (a) All information related to the application;
 - (b) The conclusions of its preliminary review of the application;
 - (c) The reviewed and, if necessary, revised draft work plan for the CDM-AT.
34. The CDM-AT shall, with the assistance of the secretariat:
- (a) Undertake the desk review of the documentation provided by the AE and prepare the desk review report (F-CDM-DOR)¹⁴;
35. The team leader, in consultation with his team, shall identify, if necessary, any additional documentation required and therefore shall be provided by the AE. The team leader and the team members shall be guided by the principle that adequate documentation required by the standard¹⁵ shall be provided prior to the on-site assessment. Other supporting documentation shall be provided during the on-site assessment. The CDM-AT shall request for any additional documentation by using the form (F-CDM-Addoc).
36. The AE shall be informed, through the secretariat, of the missing and/or additional documentation. The AE shall have a deadline of fourteen (14) working days to send documentation, required prior to the on-site assessment. If the AE does not provide such documentation within the deadline, the on-site assessment shall be planned and carried out in accordance with the procedure. However, additional time will be allocated during the on-site assessment to allow for the assessment of the missing required documentation on-site. Any additional cost resulting from the extension shall be borne by the AE.

¹⁴ Requirements implicit in the questions contained in the forms shall be considered as prescriptive and as explicit provisions reflecting the intention of the generic provisions described in Appendix A to the CDM M&P “Standards for the accreditation of operational entities”.

¹⁵ Annex D.1. specifies the minimum documentation required for submitting the application for accreditation.

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37. The team leader, from the date of the receipt of the additional information, if requested, shall have thirty working days to complete the desk review report (F-CDM-DOR). The final desk review report, through the secretariat, shall be made available to the AE.

C.3. On-site Assessment

38. The team leader, taking into consideration the availability of the team members and the AE, shall coordinate the date for the on-site assessment.

39. The secretariat shall facilitate the coordination of the on-site assessment.

40. The on-site assessment shall consist of the following steps¹⁶:

- (a) An opening meeting, chaired by the CDM-AT team leader, between the accreditation team, the AE's management, managers of the units to be involved in the assessment and the person identified by the AE as the official contact person for the CDM-AT. In this meeting, the CDM-AT shall explain its assessment activities;
- (b) An assessment by the CDM-AT of the operational capability of the AE against the requirements:
 - (i) Contained in the CDM M&P¹⁷;
 - (ii) Related to the particular "sectoral scope(s)" (contained in the Appendix A to the list of "sectoral scope(s)" for which the AE applied;
 - (iii) Relevant decisions and clarifications issued by the EB and the CDM-AP¹⁸;
- (c) A closing meeting, at the end of the on-site assessment, between the CDM-AT and the AE's management to inform the AE of the details of its assessment, regarding conformity with the CDM accreditation requirements, basis for non-conformities, if any, and any additional comments. The AE shall have the opportunity to seek clarification and ask questions, if any. The CDM-AT leader shall remind the representatives of the AE that, in accordance with the CDM accreditation procedure:
 - (i) The AE shall have opportunities to provide comments at later steps as described in the "CDM accreditation procedure";
 - (ii) The final recommendation to the EB will be made by the CDM-AP;
 - (iii) The AE may appeal against the recommendation of the CDM-AP.

41. The CDM-AT, after completion of the on-site assessment, shall have 15 working days to prepare the draft on-site assessment report (F-CDM-DOR).

42. The AE, after the receipt of the draft on-site assessment report, shall have 30 days to identify corrective actions to resolve non conformities, including timeframes for each action using the non-conformity form (F-CDM-NC), or to withdraw its application. All actions identified shall be completed within six months. If actions are not completed within six months, the application for accreditation is automatically rejected. The AE may submit a new application for accreditation.

43. Once the AE has submitted documentation affirming that it has completed the corrective actions identified, the CDM-AT shall have 30 days to verify the implementation of all the actions to address non-

¹⁶ Forms to be used for the on-site assessment are: F-CDM-OR, F-CDM-NC, F-CDM-MA, F-CDM-MAR.

¹⁷ Contained in Appendix A to the Annex to the decision 3/CMP.1.

¹⁸ For relevant decisions and clarifications please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).

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conformities. In case the implementation of corrective actions are not found satisfactory by the CDM-AT, the AE shall have three months to implement the corrective actions and submit further documentation. The CDM-AT shall prepare, with the assistance of the secretariat, a preliminary assessment report. The preliminary assessment report shall, as a minimum, contain:

- (a) The date(s) of the assessment(s);
- (b) The name(s) of the CDM AT members, identifying those responsible for the report;
- (c) The name(s) and address(es) of all the relevant AE sites assessed (on site assessment);
- (d) An assessment of the competence, experience and substantive decision making capacity of the AE in the “sectoral scope(s)” assessed, including the names of key staff encountered and their qualifications, experience and authority;
- (e) An assessment of the adequacy of the internal organization and procedures adopted by the AE ensuring confidence in the quality of its services;
- (f) An assessment of the conformity of the AE with the accreditation requirements, in particular with regard to key issues identified by the CDM AP and, where applicable, any useful comparisons with the results of previous assessments of the AE;
- (g) A description of non-conformities and corrective actions implemented by the AE.

44. The CDM-AT shall, upon completion, make the preliminary report (F CDM PR), through the secretariat, available to the AE. The AE shall have six days to provide comments on the on-site assessment report and the preliminary assessment report.

45. The CDM-AT shall have ten days to prepare its final assessment report (F CDM FR).

46. The CDM-AT shall submit its final assessment report (F CDM FR) to the CDM AP. The final assessment report shall contain, as a minimum, the following:

- (a) The preliminary assessment report;
- (b) A description of the actions taken by the AE to correct non-conformities identified in the preliminary assessment report;
- (c) Comments of the AE on the draft final assessment report and a description of how they have been addressed by the CDM AT.

47. CDM-AP shall decide whether to issue a letter to the AE indicating the successful completion of the desk review and the on site assessment in accordance with the provisions contained in section C.8.

C.4. Witnessing Activities

48. The AE shall identify witnessing opportunity(ies) by filling in the form for identification of witnessing activities (F-CDM-WOI). The team leader shall approve the proposed witnessing activities and prepare the work plan.

49. A CDM AT shall only choose/accept witnessing opportunities, identified by the AE, for which the AE has not yet started performing functions (i.e. the CDM-AT shall not use documentary evidence that has been collected prior to the date the CDM-AT identified a witnessing opportunity).

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50. Each witnessing activity¹⁹ accepted shall be carried out by a minimum of two suitably qualified members of the CDM-AT. One member of the team shall be a methodology expert. The methodology expert shall be responsible for the assessment of the aspects related to substantive decision-making capabilities of the AE.

51. The witnessing activities for validation functions shall, in principle, be based on documentary evidence of an AE performing the functions of validation relevant to the “sectoral scope(s)” of accreditation. A team leader may request for a witnessing to be carried out by including the on-site visit to the AE premises or the project site. Such a request shall require approval from the CDM-AP.

52. The witnessing activities for verification functions shall be carried out by including a visit to the project site and based on documentary evidence of an AE performing the functions of verification relevant to the “sectoral scope(s)” of accreditation.

53. The secretariat shall facilitate the coordination of the site visit to the project site.

54. Each CDM-AT member shall prepare a separate witnessing report within 10 days from the receipt of the witnessing documentation and/or completion of site visit and submit to the team leader through the secretariat. The team leader shall prepare a consolidated witnessing assessment report. The witnessing reports shall include an evaluation of the performance of tasks by the AE with regard to

- (a) The “sectoral scope(s)” applied;
 - (i) its knowledge of requirements for a CDM project activity with regard to the relevant step in the project cycle under the CDM M&P;
 - (ii) substantive decision making capabilities of the AE.

55. The CDM-AT may determine the need for additional witnessing activities for a particular sectoral scope. In this case, it shall prepare a draft revision of its approved work plan and submit it to the CDM-AP for approval. After approval of the draft revised work plan by the CDM-AP, the provisions of the accreditation procedure for identifying witnessing opportunities shall apply.

56. The CDM-AT shall, after each witnessing activity is completed, based on the witnessing report, prepare, within ten (10) days, the preliminary report (F-CDM-PR). The CDM-AT, in preparation of preliminary assessment report may request for additional information/clarifications from the AE. The preliminary report shall contain as a minimum:

- (a) The date(s) of the assessment(s);
- (b) The name(s) of the CDM-AT members, identifying those responsible for the report;
- (c) The name(s) and address(es) of all the relevant AE and/or project sites assessed (in case the witnessing includes the on-site visit);
- (d) The “sectoral scope(s)” assessed;
- (e) An assessment of the competence, experience and substantive decision making capacity of the AE in the “sectoral scope(s)” assessed, including the names of key staff involved and their qualifications, experience and authority;
- (f) The adequacy of the internal organization and procedures adopted by the AE ensuring confidence in the quality of its services;

¹⁹ Forms used in a witnessing activity are: F-CDM-WR, F-CDM-NC, F-CDM-MA, F-CDM-MAR

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- (g) Description of the validation and/or verification and certification activities witnessed;
 - (h) A description of the conformity of the AE with the accreditation requirements, in particular with regard to key issues identified by the CDM-AP and, where applicable, any useful comparisons with the results of previous assessments of the AE;
 - (i) An identification and description of non-conformities with requirements related to the “sectoral scope(s)” of accreditation.
57. The CDM-AT shall, upon completion, make the witnessing reports and draft preliminary assessment report available to the AE through the secretariat.
58. The AE shall:
- (a) Consider the preliminary report of the CDM-AT;
 - (b) Have 30 days to identify corrective actions to resolve non-conformities, including timeframes for each action, or to withdraw its application. All actions identified shall be completed within six months. If actions are not completed within six months, the witnessing is automatically rejected. The AE may identify a new witnessing for the sectoral scope.
59. The AE may propose witnessing activities related to other sectoral scopes or function.
60. The CDM-AT shall have 15 days, from the receipt of corrective actions, to verify the implementation of all the actions to address non-conformities and prepare, with the assistance of the secretariat, finalise preliminary assessment report.
61. The AE shall have the opportunity to comment within six (6) working days on the final preliminary assessment report.
62. The CDM-AT shall have ten (10) days to prepare the final assessment report (F-CDM-FR). The CDM-AT shall submit its final assessment report (F-CDM-FR) to the CDM-AP. The final report shall contain, as a minimum, the following:
- (a) The preliminary assessment report;
 - (b) A description of the actions taken by the AE to correct non-conformities identified in the preliminary report;
 - (c) Comments of the AE on the draft preliminary assessment report and a description of how they have been addressed by the CDM-AT;
 - (d) Conclusions regarding accreditation for consideration by the CDM-AP.
63. The CDM-AP shall consider the final assessment report by the CDM-AT and submit to the EB:
- (a) The final assessment report by the CDM-AT;
 - (b) Its considerations and conclusions regarding accreditation;
 - (c) Its recommendation as to whether or not to accredit the AE.
64. The CDM-AP shall inform the AE of its recommendation. The AE shall have six (6) working days to appeal against this recommendation or to withdraw its application. An appeal shall be addressed to the EB in accordance with the provisions contained in the annex “Appeals procedure”.

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65. The information submitted by the CDM-AP to the EB regarding accreditation of an AE shall be considered as confidential.

66. The EB shall consider the submission by the CDM-AP in a closed session at its next meeting. The EB Rules of Procedure regarding availability of documents prior to its meetings shall apply.

67. The EB shall decide whether to:

- (a) Recommend, by accrediting the AE to the COP/MOP for designation²⁰ as an operational entity specifying the “sectoral scope(s)”; or
- (b) Reject the application and provide an explanation for the rejection.

68. The EB shall inform the AE of its decision and make the decision publicly available in accordance with the Rules of Procedure of the EB.

69. The accreditation of the operational entity for any “sectoral scope” shall be valid for three (3) years from the date of accreditation by the EB. The designation by the COP/MOP shall be valid until the expiry date of the accreditation. No regular surveillance shall be undertaken within this three-year-period. Unscheduled surveillance (“spot-check”) shall, however, be undertaken in accordance with the provisions contained in section C.5.

70. A DOE shall have the opportunity for re-accreditation in accordance with the provisions of section C.6.

C.5. Unscheduled surveillance (“spot-check”)

71. The EB is authorized, in accordance with the CDM M&P to conduct “spot-check” activities (i.e. unscheduled surveillance) of DOEs at any time. The following provisions shall apply.

72. The consideration by the EB to conduct a “spot-check” of a DOE may be triggered by, *inter alia*:

- (a) A request for review submitted in accordance with the relevant provisions contained in the CDM M&P with regard to the registration of a project activity or the issuance of CERs;
- (b) Information received on any changes which may significantly affect the quality of operations and performance of the DOE, such as regarding ownership, organizational structure, internal policies and procedures, technical expertise of personnel (in accordance with section C.9.);
- (c) A written, substantiated complaint regarding the alleged failure of a DOE to comply with the requirements of its accreditation submitted to the EB by:
 - (i) Another DOE;
 - (ii) An NGO accredited with UNFCCC;
 - (iii) A stakeholder²¹.

²⁰ See footnote 5.

²¹ In accordance with paragraph 1(e) of the CDM M&P, stakeholders means the public, including individuals, groups or communities affected, or likely to be affected, by the proposed clean development mechanism project activity.

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73. Once the EB has decided to conduct a “spot-check”, the secretariat shall inform the CDM-AP. The concerned DOE shall pay for the cost of a “spot-check” in accordance with the annex “Fees”.
74. The CDM-AP shall consider the case and:
- (a) Establish a CDM-AT;
 - (b) Inform, through the secretariat, the DOE about the decision of the EB and the CDM-AP;
 - (c) Conclude, depending on the gravity of the case, whether:
 - (i) To recommend to the EB the immediate suspension, pending the result of the “spot check”, of the accreditation of the DOE and/or;
 - (ii) To agree to an exception to the procedure such as a limited on-site assessment and/or witnessing activity by the CDM-AT or limitations of the assessment to particular requirements related to the “sectoral scope(s)” of accreditation put in question.
75. “Spot-checks” shall be carried out in accordance with applicable steps of the accreditation procedure (see section C.1).
76. In accordance with the CDM accreditation procedure, the EB shall decide, based on the documents submitted by the CDM-AP, whether to:
- (a) Confirm the accreditation and designation of the DOE;
 - (b) Confirm the suspension and recommend to the COP/MOP either the suspension or the withdrawal of designation of the spot-checked DOE (in accordance with paragraph 5 (f) (i) of the CDM M&P). In accordance with the provisions of paragraph 21 of the CDM M&P, the suspension or the withdrawal is with immediate effect and remains in effect pending a final decision by the COP/MOP.
77. The secretariat shall inform the DOE of the decision by the EB. The secretariat shall update relevant records and publicly available lists, as appropriate.

C.6. Re-accreditation

78. The DOE, nine months before the expiry date of its accreditation, shall confirm to the secretariat whether it wishes to apply for re-accreditation.
79. The DOE shall submit to the secretariat only those documentation revised in the three years of the accreditation period. The DOE shall clearly identify the revised areas.
80. In addition, the DOE shall submit to the secretariat a compiled list of all project activities validated and/or verified in the last accredited period indicating the full status for all project activities.
81. The activities to be undertaken by the CDM-AT in the re-accreditation process shall include deskreview of documentation, an assessment of work performed during the last accredited period, on-site assessment, and witnessing activity(ies). The number of witnessing activities shall be determined on the basis of assessment of work performed by the entity in the last accredited period. The CDM-AP shall approve the required number of witnessing activity(ies) as recommended by the CDM-AT through a work plan.
82. The CDM-AT in undertaking the desk review and an evaluation of work performed by the DOE shall identify the areas to be focussed in the on-site assessment and include in the assessment plan of the

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entity. The CDM-AT may apply sampling methods taking into consideration the work performed by the DOE and request for any additional information/document if required.

83. The witnessing activity may be combined with the on-site assessment if such opportunity exists. This re-accreditation process shall be undertaken with a view to the EB making a decision regarding recommending redesignation, reduction of “sectoral scope(s)”, suspension and withdrawal of a DOE based on the recommendation of the CDM-AP.

84. — In the event that a DOE is unable to provide large scale project activity(ies) for witnessing, the DOE may propose a witnessing opportunity involving a small scale project activity, for each function. Provided that such a witnessing is successful, the DOE shall only be re-accredited to perform that function for the sectoral group of the small scale project activity.

85. A DOE may request re-accreditation at an earlier time to group the re-accreditation and accreditation of several “sectoral scope(s)” into one re-accreditation process.

C.7. Accreditation for additional “sectoral scope(s)”

86. A DOE may submit an application to be accredited for additional “sectoral scope(s)” at any time. The procedural steps for accreditation described in the section C shall apply. The annex “Application documents” specifies the documentation to be submitted by a DOE requesting additional “sectoral scope(s)”.

87. The DOE applying to be accredited for additional “sectoral scope(s)” shall have the opportunity to request, at the same time, the re-accreditation for other “sectoral scope(s)” for which it is already accredited. This may enable the DOE to streamline its re-accreditation schedule and reduce costs.

88. The work of the CDM-AP and the CDM-AT shall be designed in a way to minimize costs by taking into consideration, as applicable, those “sectoral scope(s)” for which the AE is already designated as well as recent work of the CDM-AP and/or CDM-AT with the same AE.

89. The recommendation of the CDM-AP to the EB, referred to in the procedural steps for accreditation (see section C.1.), shall distinguish between accreditation for additional “sectoral scope(s)” and, if applicable, re-accreditation.

C.8. Procedure in case a letter is to be issued indicating the successful completion of the desk review and the on-site assessment

90. If any further witnessing activities remain to be undertaken by the CDM-AT once the desk review and the on-site assessment of an AE have been completed, the CDM-AP shall decide whether to issue a letter to the AE (referred to as “indicative letter”) stating that:

- (a) The recommendation by the CDM-AP to the EB to accredit the AE, for the “sectoral scope(s)” applied for, depends on the successful completion of remaining witnessing activities;
- (b) The validation and/or verification and certification activities witnessed and considered to have been successfully performed during these remaining witnessing activities shall be considered recognized from a procedural point of view by the EB once the EB accredits the AE.

91. For this purpose, the accreditation procedure (see section C.1.) shall be applied as modified below.

92. The procedural steps in **paragraph 38 to 47** shall apply with the following modifications:

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- (a) The draft of the preliminary assessment report (F-CDM-PR), referred to in [paragraph 44](#), shall be limited to aspects related to the desk review and the on-site assessment.
 - (b) Instead of considering a recommendation to the EB regarding accreditation of the AE ([see paragraph 47](#)), the CDM-AP shall solely decide whether the AE in question meets the requirements limited to desk review and on-site assessment and an “indicative letter” shall be issued to the AE.
93. The CDM-AP shall inform the EB and the relevant AE of its decision and, if applicable, issue the “indicative letter”.
94. The relevant AE may appeal against this decision by the CDM-AP in accordance with the provisions in the annex “Appeals procedure”.
95. The secretariat shall maintain a public record of “indicative letters” issued.
96. While the above procedure for issuing an “indicative letter” is under way, any remaining witnessing activities shall be initiated and carried out in accordance with the procedural steps contained in [paragraph 48 to 69](#) with the following modifications:
- (a) The preliminary report (F-CDM-PR), referred to in [paragraph 56](#), shall be limited to aspects related to witnessing;
 - (b) The final report to the CDM-AP referred to in [paragraph 45](#) shall contain:
 - (i) The preliminary report;
 - (ii) A description of actions taken by the AE to correct non-conformities identified;
 - (iii) Comments of the AE on the draft final report limited to aspects related to witnessing and how they have been addressed;
 - (iv) Conclusions by the CDM-AT regarding accreditation for consideration by the CDM-AP.
 - (c) The documents to be submitted to the EB by the CDM-AP, in accordance with paragraph 46, are as follows:
 - (i) The final report by the CDM-AT;
 - (ii) The documentation supporting its decision to issue the “indicative letter”;
 - (iii) Its conclusions regarding accreditation for consideration by the EB;
 - (iv) Its recommendation as to whether or not to accredit the AE.
97. [Paragraphs 22 to 32](#) in section C.1 apply without modification.

C.9. Notification on change of status of an AE/DOE

98. An AE/DOE shall, three month before its implementation, inform the secretariat, of any planned changes significantly affecting its:
- (a) Legal, commercial or organizational status, e.g. ownership, partnerships;
 - (b) Key professional staff;
 - (c) Management system;

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(d) Compliance with accreditation requirements.

99. The changes notified by the AE/DOE shall be considered by the CDM-AP and may require additional work by the CDM-AP and CDM-AT with possible cost implications. (For information on costs see Annex D.3. on fees and costs)

100. If an entity does not notify the secretariat of changes within the deadline, except for an unforeseeable and justifiable case, the entity may be liable to a fine determined by the CDM-EB and/or recommended for the suspension of its accreditation.

101. Any request for shifting the premises to other country shall be treated as the new application for accreditation, taking into consideration to the provision that only those premises of an AE where the on-site assessment took place shall receive the accreditation/designation as an operational entity. Any other part of that entity is not accredited/designated.

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IV. Annexes

D.1. Annex: "Application documents"

1. In case of an application for accreditation, the AE shall provide the following documents/written information in eight (8) copies to the secretariat. Documents have to be submitted in an official English version as the working language of the EB is English:
 - (a) Documentation on its legal entity status (either a domestic legal entity or an international organization) (*CDM M&P*²²);
 - (b) The names, qualifications, experience and terms of reference of senior management personnel such as the senior executive, board members, senior officers and other relevant personnel (*CDM M&P*);
 - (c) An organizational chart showing lines of authority, responsibility and allocation of functions (*CDM M&P*);
 - (d) Its quality assurance policy and procedures (*CDM M&P*), including a procedures manual on how the entity conducts validation as well as verification and certification activities;
 - (e) Administrative procedures including document control (*CDM M&P*);
 - (f) Its policy and procedures for the recruitment and training of DOE personnel, for ensuring their competence for all necessary validation as well as verification and certification functions, and for monitoring their performance (*CDM M&P*);
 - (g) Its procedures for handling complaints, appeals and disputes (*CDM M&P*);
 - (h) Particular documents related to "sectoral scope(s)" relevant to its application. If new "sectoral scope(s)" is/are proposed, all relevant information that would permit the determination of such new "sectoral scope(s)";
 - (i) A declaration that the AE has not pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity (*CDM M&P*);
 - (j) A statement that operations of the AE are in compliance with applicable national laws;
 - (k) If part of a larger organization and where parts of that organization are, or may become, involved in the identification, development or financing of any CDM project activity (*CDM M&P*):
 - (i) A declaration of all the organization's actual and planned involvement in CDM project activities, if any, indicating which part of the organization is involved and in which particular CDM project activity (*CDM M&P*);
 - (ii) A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists (*CDM M&P*);
 - (iii) A demonstration that no conflict of interest exists between its functions as an DOE and any other functions that it may have, and how business is managed to minimize any identified risk to impartiality. The demonstration shall cover all

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Elements in this list that are taken from the CDM M&P are marked accordingly.

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sources of conflict of interest, whether they arise from within the AE or from the activities of related bodies (*CDM M&P*);

- (iv) A demonstration that it, together with its senior management and staff, is not involved in any commercial, financial or other processes which might influence its judgement or endanger trust in its independence of judgement and integrity in relation to its activities, and that it complies with any rules applicable in this respect (*CDM M&P*).

2. In the case of an application for re-accreditation or additional “sectoral scope(s)”, the DOE shall submit, as applicable:

- (a) Particular documents related to “sectoral scope(s)”;
- (b) Documents²³ required for accreditation ensuring that all information available to the EB and the CDM-AP reflects the most up-to-date state of information.

D.2. Annex: “Appeals procedure”

3. After being informed of a recommendation by the CDM-AP to the EB, an AE shall have the opportunity to appeal against the recommendation within six (6) working days. The appeal may only address the qualification of the CDM-AT and/or non-compliance with procedures.

4. The appeal shall be submitted in writing to the designated officer in the secretariat.

5. The designated officer shall immediately inform the CDM-AP and the EB of the appeal.

6. The designated officer shall submit to the EB, for consideration at its next meeting, taking into consideration deadlines for the submission of documents provided for in the EB Rules of Procedure, a file containing:

- (a) The appeal submitted by the AE;
- (b) The recommendation of the CDM-AP challenged by the entity;
- (c) A list of five (5) candidates for an appeal panel.

7. The EB shall consider the file and establish an appeal panel of three (3) members.

8. The appeal panel shall prepare a recommendation regarding the appeal for consideration at the next meeting of the EB.

9. The cost for conducting an appeals procedure shall be covered in accordance with the provisions in the annex “Fees”.

D.3. Annex: “Fees and Costs”

10. This annex provides the structure for fees²⁴ related to the accreditation of DOEs under the CDM. This annex does not provide the amount of fees but explains the underlying cost structure. The secretariat shall make publicly available on the UNFCCC CDM web site the level of fees and standard cost items such as the charges for one CDM-AT member per day.

²³ Regarding provisions for notification on change of status of a DOE see section C.6.

²⁴ For indicative level of fees for different steps of assessment please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).

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D.3.1 Non-reimbursable application fee

11. The non-reimbursable application fee is calculated on the basis of the estimated average cost per application. The costs arise from the need to carry out tasks such as organizing and servicing CDM-AP meetings, the desk review of the application (estimate: fee for CDM-AT member for two (2) working days on average) and related administrative procedures. In case the desk review requires more than 2 working days, the secretariat will include the cost in its quote referred to in paragraph 5 below.

12. Entities from non-Annex I Parties may have the possibility of paying 50% of the non-reimbursable fee when they apply for accreditation, provided that they state their inability to pay the full fee at application, bearing in mind that the need to meet the standards as contained in para 1(c) and (d) of Appendix A to the CDM M&P. The remaining 50% of the fee should be paid at a later stage once and if the entity is accredited and designated and starts operation.

13. The non-reimbursable application fee is to be paid at the time the application is submitted. Processing of an applications begins once the secretariat has received the fee.

D.3.2 Reimbursement conditions in case of withdrawal of an application

14. If an AE decides to withdraw its application, any cost incurred up to this point will not be reimbursed. Only in the case where an entity decides to withdraw its application due to a revision by the CDM-AP of its proposed “sectoral scope(s)” (see section B.2), a reimbursement of 50 per cent of the non-reimbursable application fee will be made.

D.3.3 Fee and costs associated with an on-site assessment of the premises of an AOE

15. The AE shall pay directly for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat):

- (a) Business class airfare for each assessment team member;
- (b) To each team member the applicable UN daily subsistence allowance for the assessment mission (as provided by the UNFCCC secretariat).

16. In addition, the AE shall pay directly to the AT members a fee to cover the cost for the work provided by the CDM-AT members²⁵. The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and the days of intervention.

17. The implementation of the on-site assessment is depending on the payment in advance of the costs and the fee indicated.

D.3.4 Costs associated with witnessing

18. The witnessing for **validation functions** shall be undertaken by the AT on the basis of documentary evidence, in which case there will be no travel and accommodation costs for the AE.

19. The AE pays, directly to the AT members, a fee for the work provided by the CDM AT member(s). The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM AT members and of the working days related to the intervention.

²⁵ The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).

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20. The witnessing for validation function, if applicable, and for verification function shall include a project site visit the AE shall pay directly for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat), as applicable:

- (a) Business class airfare for each assessment team member;
- (b) To each team member-the applicable UN daily subsistence allowance for the witnessing mission (as provided by the UNFCCC secretariat).

21. In addition the AE pays, directly to the AT members, a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and of the working days related to the intervention.

22. The implementation of a witnessing activity is depending on the payment in advance of the cost and the fee identified in paragraph 8 and 9 of this annex.

D.3.5 Costs associated with changes notified by the AE

23. The following changes which DOEs/AEs may make, during the accreditation process or once accredited, may have some costs implications:

- (a) Addition or subtraction to the list of sectoral scopes applied for;
- (b) Changes in the legal status of the entity;
- (c) Changes in ownership;
- (d) Substantial changes in documentation.

24. The AEs shall not be charged additional fee for these changes if the AE indicates the change(s) before the CDM-AT members have signed the confidentiality and non-disclosure agreements (F-CDM-CA). The AE shall be charged fees equivalent to two days of standard daily fee for a CDM-AT member, if the change is notified before the coordination of the on-site assessment. The additional fee is to cover additional work by the team leader and additional operational costs. If the change is only notified after the start of the on-site assessment of the entity, the case shall be considered as a new application requiring the payment of the non-reimbursable application fee.

25. Any changes by a DOE shall be considered by the CDM-AP and related cost shall be decided on a case-to-case basis.

26. There will be no additional charges if the AE changes its name in the course of accreditation process provided its legal status remains unchanged.

D.3.6 Costs of “spot-checks”

27. The costs for a “spot check” shall be covered by the DOE concerned. The secretariat will provide the DOE with an itemized quote. The DOE shall pay in advance. If the payment is not received within 30 days of the date of the receipt of the quote, the secretariat informs the CDM-AP and the accreditation/designation of the operational entity is automatically and immediately suspended, on a provisional basis pending a final decision by the COP/MOP.

D.3.7 Costs of an appeal

28. The costs for an appeal shall be covered by the AE concerned. The secretariat will provide the AE with an itemized quote for an “appeals fee”. The AE shall pay in advance the appeals fee. After the payment by the AE is received, the appeal will be considered. If the payment of the fee is not received within 20 working days after the quote was provided, the appeal is considered withdrawn by the AE.

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29. In case the appealing applicant is given right through the appeals procedure, the AE shall be reimbursed the total amount of the “appeals fee”.

D.4. Annex: “Forms used in the CDM accreditation process”

30. The list below indicates the necessary forms by step of the accreditation procedure (F-CDM-___). Some forms can be used at several steps. The forms are available on the UNFCCC CDM web site and may also be requested from the secretariat. Requirements implicit in the questions contained in the forms shall be considered as prescriptive and as explicit provisions of intents of the generic provisions described in Appendix A to the CDM M&P “Standards for the accreditation of operational entities”. The CDM-AT team shall assume the responsibility for all its reports.

Application for accreditation

- F-CDM-A = Application for accreditation

Desk review

- F-CDM-Addoc = Form for identification of additional documentation
- F-CDM-DOR = Desk review and on-site assessment report

On-site assessment of the applicant entity

- F-CDM-DOR = Desk review and on-site assessment report
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings
- F-CDM-NC = Non conformance, corrective action and clearance form

Witnessing

- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings
- F-CDM-NC = Non conformance, corrective action and clearance form
- F-CDM-WOI = Witnessing opportunities identification form
- F-CDM-WRval = Witnessing report form – validation
- F-CDM-WRvc = Witnessing report form – verification
- F-CDM-WRval-ssc = Witnessing report form – validation for small scale project activities

“Spot-check”/Unscheduled surveillance

- Spot-check/unscheduled surveillance report (to be prepared at a later stage)
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings

Other

- F-CDM-CA = Confidentiality and non-disclosure agreement for personnel taking part in an assessment (CDM-AT member)
- F-CDM-Evat = CDM assessment team evaluation report
- F-CDM-FPM = Fee agreement for panel members
- F-CDM-W = Workplan for CDM assessment team

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Preliminary report

- F-CDM-PR = Preliminary report (includes, as attachments, forms used in the preceding steps)

Final report

- F-CDM-FR = Final report (includes, as attachment, F-CDM-PR)

D.5. Annex: “Abbreviations”

AE	Applicant entity
CDM	B. Clean development mechanism
“CDM accreditation procedure”	See paragraph 2
“sectoral scope”	See paragraph 6
CDM M&P	Modalities and procedures for the clean development mechanism contained in the report of the seventh session of the Conference of the Parties (FCCC/CP/2002/13/Add.1 available on the UNFCCC CDM web site (http://unfccc.int/cdm) or UNFCCC (http://unfccc.int) web site).
CDM-AP	CDM accreditation panel
CDM-AT	CDM assessment team
COP	Conference of the Parties to the United Nations Framework Convention on Climate Change
COP/MOP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DOE	Designated operational entity
EB	Executive Board of the clean development mechanism
UNFCCC	United Nations Framework Convention on Climate Change

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D.6. Phasing of Accreditation

31. Once an AE is accredited for one function (e.g. verification) for a group of sectoral scopes, the AE will receive accreditation for that same group in the other function (e.g validation) once it is accredited for this other function in either the same or another group. If the accreditation for the other function (i.e. validation), is for another group of sectoral scopes, the AE is accredited at the same time for the function (verification) in that other group.

For example: in “Case 1” below, the AE is accredited for verification in group 1 of sectoral scopes with the witnessing opportunity “a” and for validation in group 1 after witnessing opportunity “b”. In “Case 2”, the AE is accredited for verification in group 1 of sectoral scopes with the witnessing opportunity “a” and for validation in the group 2 of sectoral scopes after witnessing opportunity “b”. In that case, the AE will also be accredited for validation in group 1 and verification for group 2. “Case 2a” illustrates a case where the AE is accredited for verification only based witnessing case “a” and “b. Only with witnessing opportunity “c”, the AE provides an opportunity to be accredited for verification. With that accreditation for verification in group 3, the AE is accredited simultaneously for all cases marked “c” in yellow colour.

32. Once the AE is accredited for both functions, the AE will always be accredited for both functions in the remainder of the group(s) to be witnessed on the basis of a witnessed activity in either validation or verification.

For example, in “Case 1”, accreditation for validation and verification in group 2 will be based on witnessing opportunity “c”, for group 4 on “d” and so on.

- (a) All groups applied for have to be witnessed at least once in either of the two functions.
- (b) The approach specified in para 1 to 3 above does not apply to A/R, where both functions need to be witnessed.

Examples: Graphical presentation of cases of phasing referred to above:

Case 1: witnessing of the other function is proposed in the same group

Group	1	2	3	4	5	...	A/R
VER	a	c	e	d	...	...	Z
VAL	b	c	e	d	...	...	Z

Case 2: witnessing of the other function is proposed in another group

Group	1	2	3	4	5	...	A/R
VER	a	b	d	c	...	...	Z
VAL	b	b	d	c	...	...	Z

Case 2a: witnessing of the other function is proposed in another group

Group	1	2	3	4	5	...	A/R
VER	a	d	c	b	Z
VAL	c	d	c	c	Z

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Legend

a,b,c... Indicates sequence of witnessing activities



Indicates an accreditation based on a witnessing activity indicated



Indicates an accreditation granted simultaneously with the witnessing activity indicated

VER Verification

VAL Validation

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Annex 4

An overview of the scope of the re-accreditation assessment work

I. Introduction:

1. The Executive Board of the Clean Development Mechanism, at its twenty-fifth meeting, in considering the draft accreditation procedure, requested the CDM accreditation panel (CDM-AP) to further clarify the process to define the scope of the re-accreditation assessment work which is to take into consideration the performance of DOEs in their last accredited period.
2. The draft re-accreditation procedure specifies that a DOE applying for re-accreditation shall, in addition to application documentation, submit a compiled list of project activities validated and/or verified in the last accrediting period indicating the full status (validated, registered, verified, rejected, reviewed, withdrawn) for all these project activities. The draft procedure further specifies that the activities to be undertaken by the CDM-AT in the re-accreditation process shall include desk review of documentation, an assessment of work performed during the last accredited period, on-site assessment, and witnessing activity(ies). It further specifies that the number of witnessing activities shall be determined on the basis of assessment of work performed by the entity in the last accredited period. The CDM-AP shall approve the required number of witnessing activity(ies) as recommended by the CDM-AT through a work plan.
3. This document presents an overview of the process and approach on how the past performance of the DOEs shall be taken into consideration and integrated into the overall assessment work in the re-accreditation process. The Board may wish to note that the purpose of this approach is to strengthen the assessment exercise by guiding the CDM-ATs to focus the assessment on the case studies.

II. Scope of re-accreditation:

4. As mentioned above that the re-accreditation of a DOE shall include desk-review work of the documentation, an assessment of work performed during the last accredited period, an on-site assessment, and witnessing activity(ies). The assessment of the work performed by the DOE during the last accredited period is an additional element in the re-accreditation assessment process and is expected to provide an opportunity to assess the effectiveness of the quality management system, competency analysis system and its implementation, and operational procedures of the DOEs in the context of CDM project activity case scenarios. Therefore, the focus of the assessment steps shall be to concentrate on areas identified as system weaknesses in the assessment of the work undertaken in the last accredited period.
5. **Desk review:** Desk review shall constitute a documentary review of the application documentation as well as review of the selected work performed by the DOE.
6. Key elements of this assessment exercise shall be as follows:
 - (a) Review of the application documentation, in particular, any updated documentation;
 - (b) Review of the quality system implemented by the DOE and an evaluation of its effectiveness with respect to its CDM operations. The assessment shall encompass review and appraisal of the validation/registration and verification/certification activities of the DOE.

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7. The CDM-AT shall be encouraged to apply sampling methods to undertake in-depth review of the selected work performed by the DOE. Additional information sources, such as cumulative experiences of CDM-AP related to the particular entity and DOE annual activity reports, may also be taken into consideration to prepare the on-site assessment plan.
8. **On-site assessment:** The on-site assessment, in addition to assess the capacity and capabilities of the DOE to perform the tasks related to its sectoral scopes, shall be focused on areas already identified as lacking and/or weak in the quality management system.
9. Key elements of this assessment exercise shall be as follows:
 - (a) Assessment of resource capacity and sufficiency related to the work undertaken;
 - (b) Assessment of competencies related to scope of the work related to functions;
 - (c) Assessment relating to changes in the organisational structure, key staff or any other changes.
10. Witnessing activities: The number of witnessing activities shall be determined on the basis of assessment of work performed by the DOE in the last accredited period. The CDM-AP shall approve the required number of witnessing activity(ies) as recommended by the CDM-AT through a work plan.
11. Key elements of this assessment exercise shall be as follows:
 - (a) Assessment of the performance and application of the sectoral scopes specific requirements ;
 - (b) Witnessing of new sectoral scopes applied by the DOE, if applicable.
12. The CDM-AP is aware of the fact that additional guidance shall have to be issued to the CDM assessment teams to carry out the re-accreditation assessment functions effectively.
