

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

**Twenty-Fourth Meeting of the CDM-AP**

**13 – 15 October 2006**

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## **I. Introduction**

1. This fourteenth progress report covers the period from 6 September 2006 to 15 October 2006. During this period the accreditation panel (CDM-AP) held only one meeting.

## **II. Roster of Experts**

2. As reported to the Board at its last meeting, that the CDM-AP, having realized the seriousness of the issues of limited availability of experts, overburdening of work on some experts and also quality of the assessment work performed by some experts, considered an option for the possibility to seek availability of experts for the assessment work on a longer-term basis. The CDM-AP further considered the matter and recognized the urgent need for the CDM accreditation process to undertake measures to address these issues. The CDM-AP also recognized the need for consistency in reporting and meeting the standards and requirements and also timely delivery of the assessment work by the experts. It was agreed that in order to achieve these objectives, a system should be established to engage experts on a longer-term basis by guaranteeing them minimum days of the assessment work and to supplement this system with training, skill improvements opportunities relating to new decisions, guidance and requirements of the Board along with a mechanism of regular evaluation of the performance of the work of these experts by the CDM-AP. The CDM-AP further recognized the need for experts in the accreditation process for having competencies relating to CDM methodological aspects combined with the good accreditation experience gained through auditing process.

3. The CDM-AP in its twenty-third meeting requested the secretariat to explore the feasibility of this option and agreed to consider it at its next meeting. The secretariat carried out an assessment of the volume of expected accreditation related work for the year 2007 and presented to the CDM-AP. The assessment carried out by the secretariat took into consideration the expected number of new applications, assessment work related to re-accreditation of DOEs, required number of witnessing activities both for validation and verification functions and work related to expected number of spot-checks from the Board. The assessment of the expected work indicated a significant increase in the volume of the assessment work in the next year and an increasing demand for both accreditation and Methodological experts to undertake this work in an efficient and timely manner.

4. The CDM-AP, taking into consideration the expected man-days of the assessment work, agreed that it is feasible to establish two pools of experts (accreditation and methodological experts) and to establish yearly Independent Contractor Agreements with these experts on the basis of expected number of man-days of work required in the year. In the first phase such contracts will be established with five accreditation and required number of methodology experts to cover the full range of sectoral scopes. These experts shall be selected from the current roster of experts on the basis of evaluation of their past performance in the assessment work and/or efforts shall be made to reach out to qualified and experienced experts in the required fields. The CDM-AP members have been encouraged to work with the secretariat in reaching out to such experts. The CDM-AP also recognized the need for regional balance and also capacity building elements and it was agreed that efforts shall be made to maintain a regional balance and experts, in particular from non-Annex I Parties, lacking required experience shall be provided training opportunities before their selection into the pool. The CDM-AP requested the secretariat to proceed with the formulation of a contract document for this purpose in accordance with United Nations rules and regulations.

5. The CDM-AP believes that this new system shall provide opportunity to improve the availability of experts, expedite the accreditation process, improve quality of their work and ensure evaluation of their performance both in terms of quality and delivery time. It further allows to establish a mechanism for training of experts taking into consideration the specific CDM requirements and to provide opportunities for experts from non-Annex I Parties for their training and capacity building. It may be noted that meeting training needs will have additional cost implications. Further information on cost implications will be provided to the Board after undertaking a cost analysis.

### **III. Status of applications**

6. The total number of active applications currently under consideration by the CDM-AP is 36. Since the last Board meeting, one new application has been received. It may be noted that three applications are withdrawn.

7. The **geographical distribution of the 36 applications** under consideration is as follows: 16 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. Seven 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 (3), Malaysia (2), China (2), Columbia, Brazil and South Africa). Thus a total of ten applications are from Non-Annex I Parties and one from economies in transition country.

8. The CDM-AP, at this meeting, had the initial consideration of two 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 for these two cases to undertake the detailed assessment work. With regard to other entities, four are at the initial stage of launching the CDM-ATs, two are addressing nonconformities in accordance with the procedure for accreditation, for one AE the documentation was found incomplete. Three other entities are undertaking witnessing activities for validation and verification functions.

9. 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.

10. The Board may also wish to note that 24 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 24 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.

11. The CDM-AP took note of expressions of interests from three DOEs for their re-accreditation. The CDM-AP agreed to consider these requests at its next meeting.

### **IV. Indicative letters and recommendation for accreditation**

12. During this period the CDM-AP issued indicative letter to the following entity:

- (a) Perry Johnson Registrars Clean Development Mechanism, Inc. (PJR CDM)

13. The CDM-AP also issued indicative letter for extension of sectoral scopes to the following entities:

- (a) Japan Quality Assurance Organization (JQA)
- (b) TÜV NORD CERT GmbH

14. 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.

15. The CDM-AP considered the reports for the spot-check raised by the Board at its twenty-fourth meeting and its deliberations on this matter are presented to the Board under strict confidentiality. The CDM-AP also considered two cases for spot-check requested by the Board at its twenty-sixth meeting and its deliberations are also presented under strict confidentiality.

## **V. Other recommendations**

16. The CDM-AP took into consideration the request from 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. The CDM-AP took into consideration the measures already undertaken by the Board, such as possibility for the entities located in Non-Annex I Parties for paying only half application fee at the time of application and possibility for applying partial sectoral scopes.

17. The CDM-AP further analyzed the possible barriers to the applications from the entities located in Non-Annex I Parties. It was agreed that some of the possible barriers could be higher initial costs in establishing the management and operational system for the CDM business operations, lack of capacity of private sector companies to compete in the international competitive environment, lack of expertise relating to wide range of sectoral scopes and lack of knowledge and familiarity with the CDM in general in developing countries and insufficient number of projects in the domestic market. The CDM-AP also recognized that this situation is compounded by them being the late entrants into the market.

18. The CDM-AP taking into consideration the complexity of the issue agreed that further examination is needed to find out the precise nature of possible barriers for the entities located in the Non-Annex I Parties. The CDM-AP recommends to the Board to approve for the CDM-AP to conduct a survey with international, regional and national accreditation bodies to find out reasons for the lack of interest from the entities located in Non-Annex I parties. The CDM-AP also encouraged the secretariat to undertake possible out-reach activities and share information relating to CDM accreditation process with regional and national accreditation bodies.

19. The CDM-AP undertook a preliminary consideration of the request from the Board to develop options for measures that provide incentives to designated operational entities (DOEs) to meet quality standards of the Board other than, and prior to, spot-check and discussed various options. These options were considered on the understanding for a need to develop an incentive mechanism with the possibility for early warning to DOEs and possible intervention by the Board to regulate and/or anticipate their performance.

20. In this regard, the CDM-AP considered options both from a short and long-term perspective. With respect to short-term measures, evaluation of performance of DOEs based on the consideration of registration and issuance team's appraisals by the Board, was considered. Based upon this evaluation, the Board may wish to determine the ranking of the performance of DOEs and may decide to make this ranking publicly available.

21. The CDM-AP, as a long-term measure, considered the option for institution of a periodic surveillance system to regularly monitor the overall performance of DOEs. The periodic surveillance system is also expected to provide opportunities to identify areas for further improvement of the accreditation system of DOEs. The CDM-AP requested the secretariat to further explore the feasibility and cost implications related to these options. The CDM-AP also agreed to further consider this issue at its next meeting with a view to provide options to the Board at its twenty-eight meeting. The CDM-AP, however, wish to seek guidance from the Board on the above-mentioned options.

22. The CDM-AP considered a document prepared by the secretariat reflecting expected work load of the CDM-AP for the year 2007. The CDM-AP took note of the expected increase in the volume of the caseload and process and procedural related work and exchanged views on ways to effectively handle this increasing workload.

## **VI. Key Issues under consideration**

23. 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.

24. 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)*

<b>Organisation</b>	<b>Leader</b>	<b>Member</b>	<b>Member</b>
0001 JQA	<b>AFR</b>	WEO	<b>AFR</b>
0002 JACO CDM	ASP	ASP	<b>ASP</b>
0003 DNVCert	<b>AFR</b>	WEO	<b>LAC</b>
0004 CHUO	<b>ASP</b>	ASP	WEO
0005 TÜV Sued	WEO	WEO	<b>AFR</b>
0006 TECO	<b>ASP</b>	WEO	ASP
0007 JCI	WEO	ASP	<b>ASP</b>
0008 AZSA	<b>ASP</b>	<b>LAC</b>	WEO
0009 BVQI	<b>AFR</b>	<b>ASP</b>	WEO
0010 SGS	ASP	WEO	WEO
0011 KEMCO	WEO	<b>ASP</b>	<b>LAC</b>
0012 PWCC		Application Withdrawn	
0013 TÜV Rhein.	WEO	WEO	<b>AFR</b>
0014 KPMG	WEO	WEO	<b>AFR</b>
0015 URS		Application Withdrawn	
0016 ERM-CVS	WEO	WEO	<b>ASP</b>
0017 Clouston Env.	<b>AFR</b>	<b>ASP</b>	ASP
0018 BSI UK	<b>AFR</b>	<b>ASP</b>	WEO
0019 Nexant		Application Withdrawn	
0020 CRA	WEO	WEO	<b>ASP</b>
0021 AENOR	<b>AFR</b>	ASP	WEO
0022 RWTÜV	<b>AFR</b>	WEO	WEO
0023 LRQA	<b>AFR</b>	<b>ASP</b>	WEO
0024 ICONTEC	<b>AFR</b>	ASP	<b>LAC</b>
0025 KFQ	WEO	WEO	ASP
0026 TECPAR	ASP	ASP	<b>LAC</b>
0027 SQS	WEO	<b>ASP</b>	WEO
0028 Shin Nihon	<b>ASP</b>	WEO	ASP
0029 PWC, SA	<b>ASP</b>	<b>AFR</b>	WEO
0030 NKKQQA	<b>ASP</b>	ASP	WEO
0031 Perry Johnson	WEO	ASP	<b>LAC</b>
0032 LGAI Tech.	WEO	WEO	<b>AFR</b>
0033 ECA Cert.	WEO	<b>AFR</b>	ASP
0034 CEC	WEO	<b>ASP</b>	ASP
0035 Tsinghua	WEO	ASP	<b>LAC</b>
0036 AWMS	WEO	WEO	<b>AFR</b>
0037 RINA S.p.A	WEO	<b>LAC</b>	ASP
0038 SIRIM QAS Int.	<b>ASP</b>	WEO	<b>AFR</b>
0039 KSA	<b>ASP</b>	<b>AFR</b>	ASP

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 / DNVCert	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	1.	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 <sup>1</sup>	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0027 / SQS	X	X	X	X	N/A	N/A	N/A	N/A	N/A	
E-0028 / Shin Nihon	X	X	X	X	X	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	X	PR	X		I (06.09.06)	
E-0031 / Perry Johnson	X	X	X	X	X	PR	X		I (06.09.06)	
E-0032 / LGAI Tech.	X	X	X	X	X	PR	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	X	N/A	N/A	N/A	N/A	N/A	
E-0038 / Sirim Qas Int	X	X	X	X	N/A	N/A	N/A	N/A	N/A	
E-0039 / KSA	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