



## Annex 2

**PROCEDURE FOR ACCREDITING OPERATIONAL ENTITIES BY THE EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM (CDM)****(Version 10.1)**

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## I. Introduction

1. In accordance with the modalities and procedures for a clean development mechanism (CDM M&P)<sup>1</sup>, the CDM Executive Board of the clean development mechanism (hereinafter referred to as the Board) shall accredit operational entities which meet the CDM accreditation requirements<sup>2</sup> and recommend the designation of such entities to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

2. This document (hereinafter referred to as “CDM Accreditation Procedure”) contains the procedure to operationalize the accreditation of operational entities by the Board 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 Board may revise this CDM Accreditation Procedure in the future. The Board shall inform all applicant entities (AEs) and designated operational entities (DOEs) of any such revisions. Any revision shall be made public on the UNFCCC CDM web site. A revised CDM Accreditation Procedure supersedes any previous version of the CDM Accreditation Procedure. Any revision of the CDM Accreditation Procedure shall become effective as decided by the Board.

3. The responsibility of each actor involved in the accreditation process is as follows:

- (a) The **CMP** designates operational entities, or withdraws their designation, based on a recommendation by the Board;
- (b) The Board takes the decision whether or not to accredit an AE<sup>3</sup> and recommend it to the CMP for designation<sup>4</sup>, and to fully or partially suspend a DOE, or to withdraw accreditation of a DOE;
- (c) The **CDM Accreditation Panel (CDM-AP)** serves as the technical panel of the Board in accordance with its terms of reference and makes recommendations to the Board on effective implementation of the CDM accreditation process;
- (d) A **CDM assessment team (CDM-AT)**, in accordance with the CDM Accreditation Procedure and under the guidance of the CDM-AP, undertakes the assessment of an AE and/or DOE, to identify the level of conformity to the CDM accreditation requirements and reports to the CDM-AP;
- (e) The **secretariat** supports the implementation of the CDM Accreditation Procedure.
- (f) The **AE/DOE** submits all required documentation through the official communication channel established for that purpose.

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

<sup>2</sup> CDM accreditation requirements for the AEs/DOEs are contained in the CDM M&P and relevant decisions issued by CMP and the Board. These requirements are further elaborated in the document ‘CDM accreditation standard for operational entities’.

<sup>3</sup> 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 CMP or provisional accreditation by the Board. In case where a DOE applies for either additional sectoral scopes or re-accreditation, it is also considered as an AE.

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



4. The accreditation (re-accreditation) assessment of an AE consists of following main elements:
- (a) **Desk review** by a CDM-AT of the adequacy of the documented system of AE to meet the CDM accreditation requirements and perform CDM validation and verification functions<sup>5</sup>;
  - (b) **On-site assessment** by a CDM-AT to evaluate the implementation of the system, including the competencies and operational capability of the AE to comply with the CDM accreditation requirements. The on-site assessment shall take place at the central office of the AE and/or at any other site where the CDM functions<sup>6</sup> are undertaken, as decided by the CDM-AP. The CDM-AP, in planning any on-site assessment, may decide that the impartiality committee meeting of an AE/DOE shall be observed. In such cases, the AE/DOE shall make necessary arrangements for undertaking this activity.
5. An AE shall be accredited (re-accredited) on the successful completion of desk review and on-site assessment for the sectoral scopes<sup>7</sup> in which the AE has demonstrated its competence for performing validation and verification/certification functions.
6. A DOE shall be subject to **performance assessment** by the CDM-AT in relation to the scope of its accreditation. The purpose of the performance assessment is to assess the effectiveness of the DOE's system through an assessment of specific validation and verification activities.
7. A DOE shall be subject to **regular on-site surveillance**. The purpose of the regular on-site surveillance is to ensure that the effectiveness of the DOE's system is maintained over the accredited period. The regular on-site surveillance shall be undertaken at least once in three years of the accredited period of a DOE as decided by the CDM-AP. The regular on-site surveillance shall take place at the central office of the DOE and/or at any other site where the CDM functions are undertaken, as decided by the CDM-AP.
8. In accordance with paragraph 20 (e) of the CDM M&P, the Board may initiate a **spot-check** to be conducted at any time with a view to assessing whether a DOE still meets the CDM accreditation requirements. The spot-check may include assessment at the central office of the DOE and/or assessment at any other site where the CDM functions are undertaken and/or assessment at the CDM project activity site and/or off-site desk review assessment.
9. A DOE may be subject to additional desk review and/or additional on-site assessment at any time of its accreditation period as and when decided by the CDM-AP or the Board. Reasons for such additional assessments shall be conveyed to the DOE.

## II. Scope of accreditation

### A.1 Scope of accreditation

10. The scope of accreditation shall consist of sectoral scopes as applied by the entity and in which the AE has demonstrated its competence for performing validation and/or verification/certification

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<sup>5</sup> In accordance with the CDM M&P DOEs shall perform CDM validation and verification functions. The requirements for the DOEs to perform these functions are defined in the CDM validation and verification manual. AEs, seeking their accreditation, shall integrate the provisions of the validation and verification manual into their quality management systems.

<sup>6</sup> For a list of functions allowed to be undertaken at sites other than the central office of the entity please refer to the CDM accreditation standard for operational entities, Annex A.

<sup>7</sup> For the list of sectoral scopes please refer to the CDM accreditation standard for operational entities, Annex B.



functions. An accredited entity shall be allowed to carry out validation and verification functions in specified sectoral scope(s).

11. An entity may apply to be accredited for any number of sectoral scopes.
12. The accreditation is granted to the legal entity applying for it, recognizing the location of its central office and any non-central sites declared by the entity in its application where CDM functions are undertaken.

### **III. Accreditation Process**

#### **B.1 Initial accreditation**

13. The accreditation process comprises the following main steps:
  - (a) An application for accreditation by an entity;
  - (b) A completeness check of the application documentation by the secretariat;
  - (c) Consideration of the application by the CDM-AP;
  - (d) A desk review by the CDM-AT of the documentation provided by the AE;
  - (e) On-site assessment by the CDM-AT at the central office of the AE and/or at any other site where the CDM functions are to be undertaken;
  - (f) A recommendation on accreditation or rejection of application by the CDM-AP to the Board;
  - (g) A decision by the Board on accreditation or rejection of application of the AE;
  - (h) Recommendation for designation to the CMP by the Board.
14. After the Board decides to accredit an AE and recommends it for designation, the entity is allowed to carry out sector-specific validation and/or verification/certification functions on a provisional basis until a decision of the CMP on its designation.

#### **B.2 Application for accreditation**

15. An entity shall submit to the secretariat a duly completed application form and all the documentation specified in the Appendix 1 (Application documentation) of the CDM Accreditation Procedure.
16. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee.
17. The secretariat shall undertake a completeness check of the documentation and information submitted against the requirements for documentation. If the documentation is found incomplete, the secretariat shall inform the AE about the missing elements it has identified. Subsequent steps of the CDM Accreditation Procedure shall only continue once all missing documentation has been received by the secretariat.
18. 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 and stakeholders shall have 15 days to provide any comments and information in respect of the AE to the secretariat through the web interface.



19. The secretariat shall prepare an application file and send it to the CDM-AP along with the comments and/or information received from the stakeholders.
20. The CDM-AP, at its next meeting, shall review the application documentation, comments and information and, as appropriate, consider the particular issues identified for the assessment by preparing a work plan. The CDM-AP shall decide if additional on-site assessments shall be performed at locations other than the central office of the AE. The CDM-AP may agree to consider a case electronically.

### **B.3 Appointment of CDM assessment team**

21. The CDM-AP Chair shall appoint a CDM-AT in consultation with the CDM-AP and with the assistance of the secretariat. The CDM-AT shall consist of at least two members, including a team leader. The size of the CDM-AT may vary depending on the size and CDM operations of the AE, the documentation submitted and the sectoral scope(s) of accreditation applied for. The members of the CDM-AT shall be selected from the secretariat staff and roster of experts, as available.
22. The secretariat shall inform the AE of the composition of the CDM-AT. The AE may object, in writing to the CDM-AP within six days, to member(s) of the CDM-AT identifying any conflict of interest of the CDM-AT member(s).
23. Receiving no objection from the AE, each CDM-AT member shall sign a confidentiality and non-disclosure agreement.
24. The secretariat shall introduce the CDM-AT by establishing a communication facility in order to undertake the assessment work.
25. The secretariat shall provide the CDM-AT with:
- (a) All information related to the application, including application documentation;
  - (b) The work plan for the assessment.

### **B.4 Desk review**

26. The CDM-AT shall undertake the desk review of the documentation provided by the AE and prepare the draft desk review report within 20 days after receiving the application documentation from the secretariat and shall send the draft desk review report to the AE through the secretariat.
27. If the documents are found adequate, the CDM-AT shall consider the draft desk review report as final and shall proceed for the on-site assessment.
28. If the CDM-AT has identified any non-conformity(ies) against the accreditation requirements, the AE shall provide additional or amended documentation to address the identified non-conformities within 90 days (30 days for re-accreditation) of the receipt of the draft desk review report<sup>8</sup>.
29. The CDM-AT shall prepare the draft final desk review report on the basis of additional and amended documentation received within 10 days of the receipt of additional and amended documents.
30. The draft final desk review report shall conclude whether the AE's documented system is in conformity with the CDM accreditation requirements for undertaking validation and/or verification functions.

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<sup>8</sup> If the changes in documents are considered significant by the team, the team will request approval from CDM-AP for additional time for desk review. Any additional cost for such additional time will be borne by the AE.



31. If conformity of the documented system is confirmed, the CDM-AT shall proceed with the on-site assessment.
32. If some of the identified issues have not been fully addressed, the CDM-AT leader shall decide whether the remaining issues can be directly assessed on-site or whether they should be addressed prior to the on-site assessment.
33. If the remaining issues can be directly assessed on-site, the CDM-AT shall request in its final report that the entity addresses the remaining issues and it shall proceed with on-site assessment.
34. If the remaining issues should be addressed prior to the site visit or if no documents have been received from the AE within 90 days of the draft desk review report, the CDM-AT shall finalise the draft final desk review report indicating the missing elements, and/or the non-conformities, and provide its conclusion and recommendation to the CDM-AP.
35. The secretariat shall seek comments and/or additional documents on the draft final desk review report from the AE within six days. The CDM-AT shall finalise the report based on the received comments within six days. The final desk review report shall be submitted to the CDM-AP for its decision electronically or at its next meeting.
36. The CDM-AP, after considering the reports from the CDM-AT, shall decide on one of the following options:
- (a) Recommend to the Board the rejection of the application of accreditation of the AE;
  - (b) Seek additional and amended documentation from the AE, providing submission and assessment deadline(s) and requesting the CDM-AT to conduct an additional desk review in relation to the documentation;
  - (c) Request the CDM-AT to proceed with the on-site assessment.
37. In case of re-accreditation or extension of sectoral scope(s) the CDM-AP may also decide to recommend suspension of the existing accreditation of the DOE.
38. The CDM-AP shall inform, through the secretariat, the AE of its decision to recommend the rejection of its application for accreditation. The AE shall have six days to appeal against the CDM-AP recommendation. The appeal shall be addressed to the Board in accordance with the provisions contained in Appendix 2 (Handling of appeals).
39. The Board shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing<sup>9</sup> of the DOE, if applicable, and decide on one of the following options:
- (a) Reject the application of accreditation of the AE;
  - (b) Request the CDM-AP to proceed with the on-site assessment;
  - (c) Refer the application to the CDM-AP for further work/reconsideration.
40. For re-accreditation or extension of sectoral scope(s) the Board in addition may decide to suspend accreditation of the DOE.

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<sup>9</sup> An AE/DOE shall be provided an opportunity for a hearing before any decision on suspension or withdrawal of its accreditation is taken according to paragraph 21 of M&P.



### B.5 On-site assessment

41. This section provides for on-site assessment at the central office of the AE. The CDM-AP may decide to include other sites to be visited by the CDM-AT.
42. The CDM-AT leader, taking into consideration the availability of the team members and the AE, shall coordinate the date(s) for the on-site assessment(s). The on-site assessment of the central office shall be undertaken within 60 days (30 days for re-accreditation) from the date of receipt of the desk review report by the AE. The visits to other sites, if any, shall be conducted after assessment at the central office as per the CDM-AP decision.
43. If the AE is not available for the on-site assessment within 60 days (30 days for re-accreditation), the secretariat shall reconfirm the entity's interest in proceeding with their application and seek justification in writing for the delays. The secretariat shall present the case to the CDM-AP at its next meeting for its decision.
44. The on-site assessment shall be conducted by the CDM-AT in accordance with the CDM on-site assessment procedure.
45. After completion of the on-site assessment, the CDM-AT shall have 12 days to prepare the draft on-site assessment report.
46. During re-accreditation assessment, if the CDM-AT have raised NC(s) that contain issues which undermine the DOE system, the draft on-site assessment report shall reflect this finding.
47. The secretariat shall send the draft on-site assessment report to the AE for comments
48. In case issues that undermine the DOE system have been raised during re-accreditation assessment, the draft on-site assessment report shall be considered by the CDM-AP at its next meeting. In such instance, the CDM-AP may take a decision as per paragraph 57. The DOE is notified of the CDM-AP recommendation in accordance with paragraph 59.
49. The AE, from the date of receiving the draft on-site assessment report, shall have 30 days (15 days for re-accreditation) to identify corrective actions to resolve the non-conformities identified.
50. The CDM-AT shall assess the proposed corrective actions within six days. If the CDM-AT does not accept the proposed corrective actions or the proposed corrective actions are not submitted, the AE shall have additional 15 days (seven days for re-accreditation) to identify further corrective actions. The CDM-AT shall assess the further proposed corrective actions within six days. If the revised proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted, the CDM-AT shall conclude the draft final on-site assessment report and the case shall be presented to the CDM-AP for its decision at its next meeting.
51. The AE, from the date of acceptance of the proposed corrective actions, shall have 90 days (30 days for re-accreditation) to implement all corrective actions and submit evidence demonstrating the implementation.
52. Once the AE has submitted documentation demonstrating that it has implemented the accepted corrective actions, the CDM-AT shall have 12 days to verify the implementation of all the corrective actions, close the non-conformities and prepare the draft final on-site assessment report.
53. In case the non-conformities have not been adequately addressed through implementation of the corrective actions as assessed by the CDM-AT, the AE shall have 30 additional days (15 days for re-accreditation) to pursue implementation of the corrective actions. The CDM-AT shall have 12 days



(six days for re-accreditation) to verify implementation of the corrective actions. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, the CDM-AT shall prepare the draft final on-site assessment report.

54. The CDM-AT shall make the draft final on-site assessment report and NC forms available to the AE through the secretariat. The AE shall have six days to provide comments/further evidence on the draft final assessment report.

55. The CDM-AT shall have six days to complete the final on-site assessment report taking into consideration the comments provided by the AE.

56. The secretariat shall submit the final on-site assessment report to the CDM-AP for a decision at its next meeting.

57. The CDM-AP shall consider the reports and decide on one of the following options:

- (a) Recommend to the Board for:
  - (i) Accreditation for all the sectoral scopes applied for by the AE;
  - (ii) Accreditation only for partial sectoral scopes;
  - (iii) Rejection of the application for accreditation.
- (b) Seek additional corrective actions from the AE, indicating timeline for their identification and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions;
- (c) Undertake any other appropriate action based on the reports.

58. For re-accreditation or extension of sectoral scope(s), the CDM-AP may in addition decide to recommend a suspension of accreditation of the DOE.

59. The CDM-AP shall inform the AE of its decision through the secretariat. The AE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 57 (a.ii and a.iii). The appeal shall be addressed to the Board in accordance with the provisions contained in Appendix 2 (Handling of appeals).

60. The Board shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing of the DOE if applicable and decide on one of the following options:

- (a) Accredite the AE for all the sectoral scopes applied for;
- (b) Accredite the AE only for partial sectoral scopes applied for;
- (c) Reject the application for accreditation.

61. For re-accreditation or extension of sectoral scope(s) the Board in addition may decide to suspend accreditation of the DOE.

62. The accredited (re-accredited) entity shall be subject to performance assessment.

63. The secretariat shall maintain a public list of entities accredited within specified sectoral scope(s).

64. The initial accreditation shall be valid for three years from the date of accreditation decision by the Board.



## B.6 Performance assessment

65. Performance assessment shall occur over the period of accreditation.
66. After the completion of the accreditation process of an AE, the CDM-AP shall decide on the number of activities to be assessed as part of the performance assessment. The number of activities selected shall be based on the number of scopes for which the DOE is accredited for, number of project activities the DOE has validated/verified and performance of the DOE based on the results of the implementation of the policy framework to address non-compliance of DOEs. The CDM-AP may decide to vary number of activities to be selected for performance assessment as considered necessary.
67. The secretariat shall select activities for performance assessments following the criteria established by CDM-AP from the project activities submitted by the DOE with requests for registration, or when the monitoring reports are made public before the start of the verification activity.
68. The secretariat shall inform the DOE of the project activity selected for performance assessment. The DOE shall forward the relevant documents, as stipulated in Appendix 8, within three days of receiving notification from the secretariat on the activity selected for the performance assessment.
69. If no documents are received within the above timeline, a reminder shall be sent to the DOE. If no documents are received upon the second iteration, the case will be communicated to the CDM-AP that shall take decision as per paragraph 85 (b).
70. The secretariat shall also inform the DOE of the composition of the CDM-AT (leader and methodology expert). The secretariat shall include the methodology expert in the official communication channel established for the DOE and CDM-AT.
71. The DOE may object, in writing to the CDM-AP within six days, to a member(s) of the CDM-AT based on any conflict of interest.
72. The CDM-AT may request additional documents based on the initial review of documents sent by the DOE within five days of the receipt of the first set of documents. The DOE shall send the additional documents within three days.
73. The performance assessment of the validation functions shall be based on documentary evidence.
74. The performance assessment of the verification functions shall be based on the observation of the verification assessment carried out by the DOE's team at the project site and evaluating conformity of the DOE's draft verification report.
75. For the performance assessment of verification activity, the DOE shall inform the secretariat of the proposed dates of the verification site visit and provide relevant information. The DOE and the CDM-AT leader shall co-ordinate the visit of the CDM-AT to the project site with the support of the secretariat.
76. The DOE shall forward to the CDM-AT the draft verification report, duly reviewed internally for its completeness and adequacy, including the Corrective Action Requests (CARs), Clarification Requests (CLRs) and/or Forward Action Requests (FARs) within 30 days of the site visit.
77. The CDM-AT shall complete the performance assessment within 14 days of receiving all relevant documents, including any additional documents which have been requested by the CDM-AT. The CDM-AT shall prepare the draft performance assessment report and the non-conformities report, as necessary, and forward the same to the DOE through the secretariat.



78. The DOE shall propose corrective actions, within 20 days of the receipt of the draft performance assessment report and non-conformities report.

79. The CDM-AT shall review the proposed corrective actions and communicate its acceptance or non-acceptance to the DOE within six days. If the proposed corrective actions are not accepted, the DOE shall have another 10 days to propose additional corrective actions. The CDM-AT shall review the additional corrective actions within six days. If the proposed additional corrective actions are still not found satisfactory, or no additional corrective actions are proposed within 10 days, the CDM-AT shall prepare the draft final performance assessment report.

80. The DOE shall implement the proposed corrective actions accepted by the CDM-AT and provide evidences to the CDM-AT of the implementation of corrective actions within 30 days of the acceptance of corrective actions.

81. The CDM-AT shall evaluate implementation of the corrective actions. If the non-conformities have been addressed, the CDM-AT shall prepare the draft final performance assessment report, close the non-conformities and forward the same to the DOE through the secretariat within six days of the receipt of the evidence of the corrective actions.

82. If the implementation is not satisfactory, the secretariat shall inform the DOE and it shall have another 15 days to demonstrate conformity. The CDM-AT shall have six days to assess the implementation of corrective actions. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, the CDM-AT shall complete the draft final performance assessment report

83. The CDM-AT shall make the draft final performance assessment report and NC reports available to the DOE through the secretariat. The DOE shall have six days to provide comments/further evidence on the draft final performance assessment report.

84. The CDM-AT shall have six days to complete the final performance assessment report taking into consideration the comments provided by the DOE.

85. The secretariat shall submit the final performance assessment report to the CDM-AP for a decision at its next meeting.

86. The CDM-AP based on the final performance assessment report shall decide on one of the following options:

- (a) Inform the Board of the positive outcome of performance assessment;
- (b) Inform the Board of the negative outcome of the performance assessment and
  - (i) Undertake additional performance assessment(s);
  - (ii) Recommend to the Board to suspend the accreditation for limited sectoral scopes and/or functions;
  - (iii) Recommend to the Board to suspend the accreditation for all scopes and functions; or
- (c) Seek additional corrective actions from the DOE, providing deadlines for their proposal and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions.



87. The CDM-AP may also undertake, in addition to paragraph 86, any other appropriate action based on the reports. (e.g., undertake an early surveillance...).

88. The CDM-AP shall inform the DOE of its decision through the secretariat. The DOE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 86 (b). The appeal shall be addressed to the Board in accordance with the provisions contained in Appendix 2 (Handling of appeals).

89. The Board shall consider the recommendation of the CDM-AP, the report of the appeal panel and/or the hearing of the DOE, if applicable, and decide on one of the following options:

- (a) Maintain the accreditation of the DOE;
- (b) Suspend the accreditation of the DOE;
- (c) Suspend the accreditation of the DOE for specific sectoral scopes and/or functions.

#### **B.7 Regular on-site surveillance**

90. The regular on-site surveillance assessment shall be conducted at least once during the three years of the accredited period of the DOE.

91. The regular on-site surveillance assessment shall take place at the central office of the DOE and at all other sites where CDM functions are being undertaken, unless decided otherwise by the CDM-AP. Each assessment is subject to separate reporting and decision making by the CDM-AP.

92. The assessment shall be for a minimum of four person-days for each site, unless otherwise decided by the CDM-AP.

93. The secretariat shall inform the DOE at least three months in advance on the tentative dates of the site visit at the central office and at other sites. The regular surveillance, at the central office, shall take place no later than the 18<sup>th</sup> month from the date of accreditation of the DOE, unless otherwise decided by the CDM-AP. The DOE may request a deviation from the tentative scheduled date of the site visit by not more than one month.

94. The CDM-AT for the regular on-site surveillance assessment shall comprise at least two members unless otherwise decided by the CDM-AP. The CDM-AT shall be nominated and provided necessary information as per section B3 above. To the extent possible, the CDM-AT shall comprise a member who has participated to the initial accreditation assessment or re-accreditation assessment. The CDM-AT shall also have technical and methodological expertise.

95. The DOE shall submit an electronic copy of the documentation specified in Appendix 1 excluding the application form and the documentation related to legal status.

96. The secretariat shall prepare a work plan based on the performance and validation/verification undertaken by the DOE under the guidance of the CDM-AP. Data gathered as a result of the implementation of the policy framework to address non-compliances of DOEs, shall constitute the basis of the elaboration of the work plan and the scope of the assessment.

97. The team leader shall coordinate, schedule on-site assessment and forward the assessment plan to the DOE at least 10 days prior to the assessment. The secretariat shall support in coordinating the assessment and logistics.

98. The CDM-AT shall undertake a review of the documentation submitted by the DOE.



99. The CDM-AT, after completion of each assessment, shall have 10 days to prepare the draft on-site surveillance report.
100. If the CDM-AT had raised NC(s) that contain issues which undermine the DOE system, the draft on-site assessment report shall reflect this finding.
101. The secretariat shall send the draft on-site surveillance report to the DOE for comments
102. In case issues that that undermine the DOE system have been raised during surveillance assessment, the draft on-site surveillance report shall be considered by the CDM-AP at its next meeting. In such instance, the CDM-AP may take a decision as per paragraph 113. The DOE is notified of the CDM-AP recommendation in accordance with paragraph 115.
103. The DOE shall have 15 days from the receipt of the draft on-site surveillance report to propose corrective actions to resolve the identified non-conformities.
104. The CDM-AT shall assess the proposed corrective actions within six days. In case the proposed corrective actions are not accepted by the CDM-AT, the DOE shall have another seven days to propose further corrective actions.
105. The CDM-AT shall have six days to assess the new proposed corrective actions. If the proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted within the deadline, the CDM-AT shall complete and make the draft final on-site surveillance report and non-conformities reports available to the DOE through the secretariat. The DOE shall have six days to provide comments on the draft final on-site surveillance report.
106. The CDM-AT shall have six days to complete the final on-site surveillance report taking into consideration the comments provided by the DOE. The case shall be presented to the CDM-AP for decision during its next meeting.
107. All proposed corrective actions identified and accepted by the CDM-AT shall be completed within 30 days from the date of acceptance of the corrective actions.
108. Once the DOE has submitted documentation demonstrating that it has implemented the corrective actions identified, the CDM-AT shall have 10 days to verify the implementation of all the corrective actions to address the non-conformities, close the non-conformities and prepare the draft final on-site surveillance report.
109. If the implementation is not satisfactory, the DOE shall have an additional 15 days to pursue implementation of the corrective actions and submit further evidences. The CDM-AT shall have six days to assess the new submitted evidence. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, the CDM-AT shall complete the draft final on-site surveillance report.
110. The CDM-AT shall make the draft final on-site surveillance report and non-conformities reports available to the DOE through the secretariat. The DOE shall have six days to provide comments on the draft final on-site surveillance report.
111. The CDM-AT shall have six days to complete the final on-site surveillance report taking into consideration the comments provided by the DOE.
112. The secretariat shall submit the final on-site surveillance report to the CDM-AP for a decision at its next meeting.
113. The CDM-AP based, on the final assessment report, shall decide on one of the following options:



- (a) Inform the Board of the positive outcome of the regular surveillance;
- (b) Inform the Board of the negative outcome of the regular surveillance and
  - (i) Recommend to the Board to suspend the accreditation for specific sectoral scopes and/or functions;
  - (ii) Recommend to the Board to suspend the accreditation for all sectoral scopes and functions; or
- (c) Seek additional corrective actions from the DOE, providing deadlines for their proposal and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions.

114. The CDM-AP may also undertake, in addition to the options provided in paragraph 113, any other appropriate action based on the reports (e.g.: undertake an additional performance assessment).

115. The CDM-AP shall inform the DOE of its decision through the secretariat. The DOE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 113 (b). The appeal shall be addressed to the Board in accordance with the provisions contained in Appendix 2 (Handling of appeals). The DOE shall also have an opportunity for a hearing.

116. The Board shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing of the DOE, if applicable, and decide on one of the following options:

- (a) Maintain the accreditation of the DOE ;
- (b) Suspend the accreditation of the DOE;
- (c) Suspend the accreditation of the DOE for specific sectoral scopes and/or functions.

### **B.8 Spot-check**

117. The Board can, in accordance with the CDM M&P, request a spot-check to be conducted at any time.

118. The consideration by the Board to conduct a spot-check of a DOE may be triggered by, *inter alia*:

- (a) The review process conducted by the Board including the provisions of the policy framework to address non-compliance by designated operational entities;
- (b) Information received from a third party on any changes which may significantly affect the competency and performance of the DOE, such as changes in ownership, organizational structure, internal policies and procedures, resources and personnel;
- (c) A recommendation of the CDM-AP including as a result of handling complaints against an AE/DOE as specified in Appendix 3 and performance assessment outcome.

119. The CDM-AP can recommend the Board to conduct a spot-check of a particular DOE at any time.

120. The reason that triggered a spot-check shall remain confidential.

121. The Board may decide to immediately suspend the DOE under spot-check, provided that the DOE had an opportunity for a hearing.



122. The Board, once it has decided on a spot-check, shall agree on the scope of the spot-check and inform the CDM-AP through the secretariat.
123. In case the spot-check is triggered as a result of the implementation of the policy framework to address non-compliance of DOEs, the CDM-AP shall agree on the scope of the spot-check and inform the Board. The scope shall be based on the information gathered within the above cited framework.
124. The scope of the spot-check shall include the following:
- (a) Identification of the type and the site of the spot-check (on-site assessment at the central office of the DOE and/or on-site assessment at any other site where the CDM functions are being undertaken and/or assessment at the CDM project activity site and/or off-site desk review assessment);
  - (b) Specific aspects to be focussed on during the spot-check assessment, such as:
    - (i) Quality and operational management of the DOE in relation to its competence for performing validation and verification functions;
    - (ii) Institutional and organisational structure of the DOE, in particular, for providing validation and verification functions in an independent and impartial manner;
    - (iii) Competencies of the DOE to perform all or specific aspects of validation and verification/certification functions;
    - (iv) Any other area identified as relevant to ensure competency and conformity of the DOE.
125. The name of the DOE under spot-check shall be made public as part of the Board meeting report.
126. The CDM-AP shall consider the case, elaborate the scope of the spot-check and establish a CDM-AT.
127. If the spot-check is to be conducted at the CDM project activity site, the CDM-AP, through the secretariat, shall:
- (a) Send a notification to the DOE and respective project proponents before the spot-check;
  - (b) Request the DOE to coordinate necessary arrangements with project participants.
128. The DOE shall cover all the costs related to the spot-check in accordance with the Appendix 5 and Appendix 6.
129. The CDM-AT shall review the documentation provided by the secretariat and prepare an assessment plan taking into consideration the scope of the spot-check.
130. The CDM-AT, after completion of the spot-check, shall have five days to prepare the draft final spot-check report, including non-conformities report, if necessary.
131. The DOE shall have six days to provide comments on the draft final spot-check report. The CDM-AT shall have five days to complete the final spot-check report.
132. The CDM-AP based on the reports and the comments received from the DOE shall recommend to the Board for:
- (a) Confirmation of accreditation and designation of the DOE;



- (b) Request the DOE to identify and implement corrective actions to address the identified non-conformities within specified timeframe. The implemented corrective actions shall be verified by the assessment team through a site visit or a document review as appropriate;
- (c) Partial suspension of accreditation with request to the DOE to implement adequate corrective actions;
- (d) Full suspension of accreditation with request to the DOE to implement adequate corrective actions;
- (e) Withdrawal of the accreditation of the DOE.

133. The recommendation of the CDM-AP to the Board shall be forwarded to the DOE through the secretariat. The DOE shall have an opportunity for a hearing to present their case to the Board at its next meeting. The DOE may request to postpone the hearing to the meeting after next.

134. The Board shall consider the recommendation made by the CDM-AP and the additional information presented by the DOE at the hearing. In accordance with provisions of paragraph 21 of the CDM M&P and the decision of CMP4, the Board shall decide to:

- (a) Confirm the accreditation and designation of the DOE;
- (b) Request the DOE to address identified non-conformities, specifying timeframe for implementation and modalities of the assessment;
- (c) Partially suspend accreditation, in respect of specific scopes and/or functions request to the DOE to implement corrective actions;
- (d) Fully suspend accreditation, with request to the DOE to implement corrective actions;
- (e) Withdraw accreditation of the DOE.

135. The modalities of lifting partial or total suspension of a DOE shall be undertaken as per section B.12 (Suspension).

## **B.9 Re-accreditation**

136. The DOE shall apply for re-accreditation nine (9) months before the expiry of its accreditation.

137. The DOE shall submit to the secretariat, along with its application for re-accreditation, the documentation listed in Appendix 1. The DOE may apply for accreditation in additional sectoral scopes and identify additional sites.

138. The central office of the DOE shall be assessed for reaccreditation. The CDM-AP may decide to include other sites to be visited by the CDM-AT. In such instance, each assessment is subject to separate reporting. However, the final decision on reaccreditation is undertaken based on the outcome of both the central office assessment and other sites assessments as applicable.

139. The provisions and timelines of sections B.1 to B.7 of this Procedure regarding the desk review, on-site assessment, performance assessment and regular surveillance shall apply, except publication of a call for public comments.



140. The number of sites to be visited during the regular surveillance after re-accreditation, may be reduced by the CDM-AP based on results of previous assessments and the results of the implementation of the policy framework to address non-compliance of DOEs.

141. The performance assessment of project activities initiated before re-accreditation shall continue after re-accreditation.

142. In case of a delay in the re-accreditation process, the CDM-AP may recommend to the Board to extend accreditation of a DOE for up to six months. The extension shall be granted only if the DOE has applied for re-accreditation within the specified timeline and is not responsible for the delays in the process of re-accreditation.

143. Re-accreditation shall be valid for three years from the date of expiry of the previous accreditation.

#### **B.10 Extension of accreditation for additional sectoral scopes**

144. A DOE may apply to be accredited for additional sectoral scopes at any time.

145. The CDM-AP shall consider the application and decide on the scope of the assessment, taking into account existing scope of the accreditation, additional sectoral scopes applied for and previous performance of the DOE.

146. The provisions and timelines of sections B.1 to B.7 shall apply as appropriate and applicable in accordance with the scope defined by the CDM-AP. Timelines relevant to re-accreditation shall also apply.

147. The accreditation for additional sectoral scopes shall be valid only till the expiry of its existing accreditation.

#### **B.11 Notification on change of status of an AE/DOE**

148. An AE/DOE shall inform the secretariat, at least three months before its implementation, of any planned change that significantly affects its:

- (a) Legal, commercial or organizational status, e.g. ownership, partnerships;
- (b) Key professional staff;
- (c) Management system;
- (d) Conformity to the CDM accreditation requirements;
- (e) Allocation of CDM functions to non-central sites, including establishment of new sites.

149. In case of an unexpected significant change, the AE/DOE shall notify the secretariat no later than 10 days after the change took place.

150. The changes notified by the AE/DOE shall be considered by the CDM-AP and may require additional work by the CDM-AP and the CDM-AT (e.g., document review, site visit) with possible cost implications.

151. If the AE/DOE does not notify the secretariat of changes within the deadline, the CDM-AP may recommend to the Board to initiate a spot-check or decide to undertake any other appropriate actions.



152. A request for moving central office and other declared sites to other physical locations shall be considered by the CDM-AP and may require additional work by the CDM-AP and the CDM-AT with possible cost implications.

### **B.12 Suspension of the accreditation status of a DOE**

153. The Board may decide to suspend totally or partially the accreditation of a DOE based on the recommendation of the CDM-AP or other review processes conducted by the Board, including the provisions of the policy framework to address non-compliance by designated operational entities.

154. Prior to any decision on suspension is taken, the DOE shall be provided with an opportunity for a hearing. To facilitate the hearing, the DOE shall be provided with all relevant information that has led the Board/CDM-AP to consider the suspension of the accreditation.

155. In case the Board decides to suspend totally or partially the accreditation of a DOE, it shall indicate to the DOE the modalities for lifting such a suspension, including:

- (a) Identification of the non-conformities that shall be addressed;
- (b) Specification of a deadline for implementation of corrective actions. This deadline shall not exceed 12 months;
- (c) Definition of the nature of assessment to be carried out to check the implementation of the identified corrective actions, *inter alia*, site visit at the central office of the DOE, site visit to any non-central site where the DOE has allocated CDM functions, site visit to a project activity(ies) site(s) and/or through a document review;
- (d) Treatment of the projects under validation/verification by the DOE and projects for which the DOE has submitted requests for registration/issuance.

156. If no confirmation of completion of implementation of corrective actions is received from the DOE within the defined deadline, the CDM-AP shall either recommend to the Board that the accreditation status of the DOE be withdrawn or its scope of accreditation be reduced.

157. The DOE may be provided, if it wishes, the opportunity to have its proposed corrective actions assessed for adequacy by the assessment team before their implementation. This opportunity may be provided twice. In such case, the assessment team shall have three days to assess the proposed corrective actions and respond to the DOE.

158. After receiving confirmation and evidence from the DOE that all corrective actions have been implemented, the CDM-AT shall, as soon as practicable, verify their implementation as decided by the Board.

159. The CDM-AT, after verification of the implementation of the corrective actions, shall have three days to prepare the draft final assessment report.

160. The secretariat shall submit the draft final report to the DOE for comments. The DOE shall have six days to provide comments on the draft final assessment report. The CDM-AT shall have three days to complete the final assessment report and submit it to the secretariat.

161. The CDM-AP shall consider the final assessment report of the CDM-AT and submit to the Board its recommendation from one of the following options:

- (a) Revoke the suspension of accreditation of the DOE;



- (b) Revoke the suspension of accreditation of the DOE and request additional performance assessments or follow-up assessments to be performed to ensure that corrective actions implemented by the DOE have addressed all issues identified;
- (c) Maintain the suspension and allow the DOE to implement further corrective actions within a specified timeframe;
- (d) Withdraw the accreditation of the DOE.

162. The recommendation of the CDM-AP and the final assessment report shall be forwarded to the DOE. If the recommendation is to withdraw the accreditation, the DOE shall have an opportunity for a hearing at the Board meeting before any decision is made by the Board.

163. The Board shall decide, based on the recommendation of the CDM-AP and, if applicable, the information provided during the hearing by the DOE, to:

- (a) Revoke the suspension of accreditation of the DOE;
- (b) Revoke the suspension of accreditation of the DOE and request additional assessment activities to be performed (follow-up visit; performance assessments, early surveillance);
- (c) Maintain the suspension and allow the DOE to implement further corrective actions within a specified deadline;
- (d) Withdraw the accreditation of the DOE on a provisional basis, pending the final decision by the CMP. In accordance with the provisions of paragraph 21 of the CDM M&P, the withdrawal shall be with immediate effect and shall remain in effect pending a final decision by the CMP.

164. The secretariat shall inform the DOE of the decision of the Board. The secretariat shall update relevant records and public listings, as appropriate.

165. The CDM-AP shall undertake further actions as per the decision of the Board.

### **B.13 Expiration and withdrawal of accreditation and their implications**

166. Upon withdrawal or expiration of accreditation of an entity, the entity shall not continue any work on any CDM project activities, whether its accreditation expired or was withdrawn.

167. The DOE shall inform, if applicable, any affected clients of the withdrawal or expiration of its accreditation status.

168. Expiration or withdrawal of accreditation of a DOE shall not free the DOE from its contractual arrangement with its client or with the UNFCCC secretariat including costs related to assessment conducted before expiration or withdrawal of accreditation of the DOE.

### **B.14 Voluntary withdrawal of application for accreditation or accreditation status by AE/DOE and its implications**

169. An AE/DOE may withdraw its application for accreditation or its accreditation status by submitting a request to the CDM-AP through the secretariat.

170. The CDM-AP shall consider such requests at its next meeting and will notify the Board accordingly.



171. The DOE shall inform, if applicable, any affected clients of the withdrawal of its application for accreditation or its accreditation status.

172. Voluntary withdrawal of accreditation by a DOE shall not free the DOE from its contractual arrangement with its clients or with the UNFCCC secretariat, including costs related to assessment conducted before expiration or withdrawal of accreditation of the DOE.

Appendix 1**Application documentation**

1. In case of an application for initial accreditation, extension of scopes and re-accreditation, the AE shall provide one (1) hard copy and an electronic version of the following documentations to the secretariat:

LIST OF DOCUMENTS	Initial application	Surveillance	Re-accreditation
(a) Completed application form;	X		X
(b) Financial statements of the last three years (or any other means as per paragraph 76a of the accreditation standard);	X		
(c) Documentation on its legal entity status (either a domestic legal entity or an international organization);	X		X
(d) 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;	X	X	X
(e) An organizational chart showing lines of authority, responsibility and allocation of functions;	X	X	X
(f) Its quality assurance policy and procedures, including a procedures manual on how the entity conducts validation / verification and certification activities;	X	X	X
(g) Administrative procedures including document control;	X	X	X
(h) Its policy and procedures for the recruitment and training of AE personnel, for ensuring their competence for all necessary validation / verification and certification functions, and for monitoring their performance, including qualification procedure and competence matrix;	X	X	X
(i) Its procedures for handling complaints, appeals and disputes;	X	X	X
(j) A declaration that the AE has no pending judicial processes for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity;	X		X
(k) A statement that operations of the AE are in compliance with applicable national laws;	X		X
(l) 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:			
(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;	X	X	X



LIST OF DOCUMENTS	Initial application	Surveillance	Re-accreditation
(ii) A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists;	X	X	X
(iii) A demonstration that no conflict of interest exists between its functions as a 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 sources of conflict of interest, whether they arise from within the AE or from the activities of related bodies;	X	X	X
(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.	X	X	X
(m) A list of all sites where the CDM functions are undertaken clearly indicating functions undertaken at each site <sup>10</sup> ;	X	X	X
(n) Completed F-CDM-SCC, referring to specific documents, procedure and forms that address the CDM accreditation requirements;	X	X	X
(o) Schedule of Internal audits/ Management review meetings and Impartiality committee meetings (Indicating planned and completed activities);	X	X	X
(p) List of project activities completed and in process (Indicate the status);		X	X
(q) Summary of the changes since previous onsite assessment.		X	X

2. Documentation has to be submitted in English, the working language of the Board.

<sup>10</sup> For a list of functions allowed to be undertaken at sites other than the central office of the entity see the CDM Accreditation Standard, Annex A.



## Appendix 2

**Handling of appeals**

1. After being informed of an adverse recommendation by the CDM-AP to the Board, an AE/DOE shall have the opportunity to appeal against the recommendation within six (6) days. Appeals after the six (6) days deadline shall not be considered.
2. Adverse recommendations by the CDM-AP are all recommendations that:
  - (a) Affect the accreditation status of a DOE (e.g. denial of accreditation, partial or total suspension, withdrawal);
  - (b) Constitute an obstacle for obtaining, maintaining or extending accreditation (e.g. rejection of application for accreditation, rejection of application for extension).
3. The scope of the appeal may only address the qualification of the CDM-AT, non-compliance with procedures and/or misinterpretation of the CDM requirements.
4. The appeal shall be submitted in writing to the secretariat, clearly indicating the scope of the appeal.
5. The secretariat shall immediately inform the CDM-AP and the Board of the appeal.
6. The secretariat shall submit to the Board, for consideration at its next meeting, taking into consideration deadlines for the submission of documentations provided for in the Board Rules of Procedure, a file containing:
  - (a) The appeal submitted by the AE/DOE;
  - (b) The recommendation of the CDM-AP challenged by the entity;
  - (c) A list of five candidates for an appeal panel.
7. The Board shall establish an appeal panel of three members, define the number of working days required for the assessment of appeal and timelines for the submission of the appeal panel report.
8. The appeal panel shall assess documentation relevant to the scope of the appeal and the process that has led to the decision appealed against (e.g. assessment reports, communications between the CDM-AT/entity/secretariat, recommendation of the CDM-AP) in order to conclude whether the appeal is justified or not based on the items listed in paragraph 3 above.
9. If the appeal panel concludes that the appeal is justified, it shall propose a recommendation on the decision to be taken by the Board.
10. If the appeal panel concludes that the appeal is not justified, it shall substantiate its conclusion.
11. The appeal panel shall prepare a report for consideration of the Board at its next meeting.
12. The Board shall consider the report from the appeal panel at its next meeting and shall proceed in accordance with the applicable steps of the CDM Accreditation Procedure.
13. Following the decision of the Board, the secretariat shall make available a copy report of the appeal panel to the AE/DOE.



14. The cost for conducting an appeal shall be covered in accordance with the provisions in the Appendix 5 and Appendix 6.



## Appendix 3

**Handling of Complaints against an AE/DOE**

1. A complaint is an expression of dissatisfaction regarding the performance of a DOE in relation to its CDM function(s) from its client's organization (CDM PP) or any entity that has submitted comments during the global stakeholder consultation process which were not taken into consideration by the DOE.
2. A complainant shall submit a complaint to the CDM-AP, through the secretariat, using the complaint form (CDM-F-CD) and supporting documentation. Such complaint shall be submitted only if the complainant has exhausted all possibilities of complaints/disputes/appeal within the DOE's system. Evidence of that shall be presented among the supporting documentation of the complaint.
3. The secretariat shall acknowledge the receipt of the complaint/dispute and carry out an initial assessment of the complaint received.
4. The secretariat shall have seven days from the receipt of the complaint to request, if necessary, the complainant to submit any relevant information or data for the initial assessment. Such information shall be submitted within 7 days by the complainant.
5. The secretariat, after receipt of the additional documentation, if applicable, shall carry out an initial assessment of the complaint. This initial assessment shall be carried-out by a committee constituted from secretariat staff.
6. If the initial assessment reveals that the complaint is not substantiated with appropriate evidence, the secretariat shall close the case and inform the complainant accordingly.
7. If the initial assessment reveals that the complaint is substantiated, the secretariat shall inform the DOE about the complaint unless it is about a fraud or an unethical behaviour. The secretariat shall provide the DOE with the complaint and the supporting documentation received from the complainant. In situations where the complaint relates to fraud or unethical behaviour, the secretariat may conduct an investigation of the complaint without immediately informing the DOE.
8. The DOE shall have 7 days from the receipt of the notification of complaint/dispute to provide a response to the complaint, including information justifying its opinion/decision and/or behaviour.
9. Based on the information received from all parties, the secretariat shall have 7 days to prepare an assessment report for the consideration of the CDM-AP. The report is prepared even in the absence of a response from the DOE.
10. The assessment report shall comprise a summary of the case with allegations of both parties, an investigation of the alleged facts and a recommendation on whether the complaint is justified or not.
11. A complaint may be considered justified if the assessment reveals that the DOE has not complied with its own accredited system and/or the CDM requirements.
12. Both parties to the complaint shall be informed of the outcome of the assessment and when the complaint will be considered by the CDM-AP.
13. The CDM-AP at its following meeting shall consider all relevant information to the complaint including the assessment report prepared by the secretariat and decide on the case.
14. The CDM-AP may decide to conduct an additional assessment, or an additional performance assessment, recommend the conduct of a spot-check, or suspension of the DOE or any other relevant action.



15. The CDM-AP, through the secretariat, shall inform both parties of the complaints of its decision.



## Appendix 4

**Handling of Complaints and Disputes from a DOE**

1. A complaint is the expression of a dissatisfaction related to the operation of the CDM-AP, the secretariat and/or the assessment team, where a response is expected.
2. A dispute is a disagreement regarding any decision and/or opinion excluding those that are within the scope of the appeal as defined in Appendix 2 “Handling of appeals” between an AE/DOE and the CDM-AP, an AE/DOE and the CDM-AT.
3. An AE/DOE shall submit a complaint using the complaint/dispute form (CDM-F-CD). The AE/DOE shall provide all necessary documentation supporting its complaint/dispute.
4. The secretariat shall acknowledge the receipt of the complaint/dispute.
5. The secretariat shall have seven days from the receipt of the complaint/dispute to request, if necessary, the DOE to submit any relevant information or data for the initial assessment. Such information shall be submitted within 7 days by the DOE.
6. The secretariat, after the receipt of the additional documentation, if applicable, shall carry out an initial assessment of the complaint/dispute. This initial assessment shall be carried-out by a committee constituted from secretariat staff. If the complaint/dispute is against the secretariat, members of the committee shall not have been involved in any activity that is subject to the complaint/dispute.
7. If the initial assessment reveals that the complaint/dispute is not substantiated with appropriate evidence, the secretariat shall close the case and inform the DOE accordingly.
8. If the initial assessment reveals that the complaint/dispute is substantiated, the secretariat shall inform, unless a complaint is about an unethical behaviour, the party against which the complaint/dispute is raised. The secretariat shall provide the complaint and its supporting documentation received from the complainant/disputing party. In situations where the complaint relates to unethical behaviour the secretariat may conduct an investigation of the complaint without immediately informing the DOE.
9. The party against which the complaint/dispute is raised shall have 7 days from the receipt of the notification of complaint/dispute from the secretariat to provide a response to the complaint or dispute, including information justifying its opinion/decision and/or behaviour.
10. Based on the information received from all parties, the secretariat shall have 7 days to prepare an assessment report for the consideration of a complaint/dispute body. The report is prepared even in the absence of a response from the party against which the complaint/dispute is raised.
11. The assessment report shall comprise a summary of the case with allegations of both parties, an investigation of the alleged facts and a recommendation on whether the complaint/dispute is justified or not.
12. A complaint/dispute may be considered justified if its treatment reveals, *inter alia*, that:
  - (a) The CDM-AP or the secretariat have not complied with the CDM Accreditation Procedure;
  - (b) The CDM-AT engaged in an inappropriate behaviour;
  - (c) The DOE disagrees about a non-conformity raised or the validity of a non-closure of a non-conformity.



13. Both parties to the complaint shall be informed of the outcome of the assessment and on when the complaint/dispute will be considered by the complaint/dispute body.
14. The complaint/dispute body shall be :
  - a. The CDM-AP in case the complaint/dispute is against the secretariat or a CDM-AT;
  - b. The Board, if the complaint/dispute is against the CDM-AP.
15. The complaint/dispute body at its following meeting shall consider all relevant information to the complaint/dispute including the assessment report prepared by the secretariat and shall decide on the case.
16. The complaint/dispute body may decide to reconsider the assessment report and the non-conformity reports related to the process that triggered the complaint/dispute and /or the qualification of the assessment team members.
17. The complaint/dispute body, through the secretariat, shall inform both parties of the complaints/dispute of its decision.



## Appendix 5

**Fees and costs**

1. This appendix provides the structure for fees<sup>11</sup> related to the accreditation of AEs under the CDM. Non-reimbursable application fee

2. 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 the CDM-AP meetings, the desk review of the application (estimate: fee for a CDM-AT member for two (2) working days on average) and related administrative procedures. In case the desk review requires more than two (2) working days, the secretariat will include the cost in its quote referred to in paragraph 14 below. The current level of the non-reimbursable application fee is US\$ 15,000.

3. 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 paragraphs 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 AE is accredited and designated and starts operation.

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

*Reimbursement conditions in case of  
withdrawal of an application*

5. If an AE decides to withdraw its application, any cost incurred up to this point will not be reimbursed.

*Fee and costs associated with  
an on-site assessment of the premises of an AE/DOE*

6. The AE shall pay 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) Applicable UN daily subsistence allowance for the CDM-AT.

7. In addition, the AE shall pay a fee to cover the cost for the work provided by the CDM-AT members<sup>12</sup>. The secretariat shall provide the AE/DOE with the payment instructions and pre-filled receipts indicating the number of the CDM-AT members and the days of intervention.

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

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<sup>11</sup> For indicative level of fees for different steps of assessment please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).

<sup>12</sup> The standard daily fee per CDM-AT member is currently US\$ 400 (please refer to the UNFCCC CDM web site for any changes).



Costs associated with performance assessment

9. The performance assessment for validation functions may be undertaken by the CDM-AT on the basis of documentary evidence, in which case there will be no travel and accommodation costs for the DOE.
10. The DOE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the DOE - with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and of the working days related to the intervention.
11. The performance assessment for validation function, if applicable, and for verification function shall include a project site visit. In such a case, the DOE shall pay 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) Applicable UN daily subsistence allowance for the CDM-AT.
12. In addition the AE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the CDM-AT members and of the working days related to the intervention.
13. The implementation of this activity is depending on the payment in advance of the cost and the fee identified above.

Costs associated with regular surveillance

14. The DOE shall pay for the following cost items (dates, schedules and accommodation arrangements to be coordinated by the secretariat):
- (a) Business class airfare for each assessment team member;
  - (b) Applicable UN daily subsistence allowance for the CDM-AT (as provided by the UNFCCC secretariat).
15. In addition, the DOE shall pay a fee to cover the cost for the work provided by the CDM-AT members<sup>13</sup>. The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the CDM-AT members and the days of intervention.
16. The implementation of regular surveillance steps is depending on the payment in advance of the costs and the fee indicated above.

Costs associated with application for extension of the accreditation for additional sectoral scope(s)

17. The DOE shall pay a fee to cover the cost of the work provided by the CDM-AT member, in accordance with the assessment plan determined by the CDM-AP. The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the CDM-AT members and the days of intervention.
18. If the CDM-AP decides that extension of accreditation for additional sectoral scope (s) requires an on-site assessment, the DOE shall pay for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat), as applicable:

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<sup>13</sup> The standard daily fee per CDM-AT member is currently US\$ 400 (please refer to the UNFCCC CDM web site for any changes).



- (a) Business class airfare for each assessment team member;
- (b) Applicable UN daily subsistence allowance for the mission.

19. The implementation of assessment steps is depending on the payment in advance of the costs and the fee indicated above.

Costs associated with changes notified by the AE/DOE

20. 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 before decision of the Board on accreditation;
- (b) Changes in the legal status of the entity;
- (c) Changes in ownership;
- (d) Substantial changes in documentation.

21. 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. 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.

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

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

Costs of “spot-checks”

24. 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 shall inform 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 CMP.

Costs of an appeal

25. The costs for an appeal shall be covered by the AE/DOE concerned. The secretariat will provide the AE/DOE with an itemized quote for an “appeals fee”. The AE/DOE shall pay in advance the appeals fee. After the payment by the AE/DOE is received, the appeal will be considered. If the payment of the fee is not received within 25 days after the quote was provided, the appeal is considered withdrawn by the AE/DOE.

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



## Appendix 6

**Indicative level of fees for the CDM AT Members**

1. This appendix provides indicative level of fees to be paid by the applicant entity to the CDM assessment team (CDM-AT).

Assessment Activity	Type of activity	Team Leader <sup>14</sup> (man-days)	Team Member <sup>15</sup> (man-days)	Number of Team Members participating in the task	No. of days times daily fee <sup>16</sup> = Total Cost (US\$)
Preparation of desk review report (F-CDM-DOR)*	Initial Accreditation	2	1	2	1,600
Onsite assessment (incl. OR)	Initial Accreditation & Reaccreditation	3	2	2	2,800
	Surveillance & Spotcheck	3	2	1	2,000
Verification of implementation of corrective actions to address non-conformities (F-CDM-NC)	Initial Accreditation & Reaccreditation	1	1	2	1,200
	Surveillance Performance Assessment & Spotcheck	1	1	1	800
Performance Assessment Val/Ver (incl. PA Report)		2	2	1	1,600
Preparation of final report (F-CDM-FR)	Initial Accreditation & Reaccreditation	2	1	2	1,600
	Surveillance Performance Assessment & Spotcheck	2	1	1	1,200

2. The entities shall pay the fees directly to relevant team leader/member based on the information provided by the secretariat. The secretariat shall forward to the AE, copy to the team members, a request for payment together with a pre-filled receipt form for each team member. The AE shall ensure that the secretariat receives the original signed receipts by the respective team member. The application process will be halted in case such receipts are not received within deadlines indicated in the CDM Accreditation Procedure.

<sup>14</sup> The number of the man-days allocated to the team leader may be changed as per the CDM-AP decision.

<sup>15</sup> The number of the team members involved in an assessment may be changed as per the CDM-AP decision.

<sup>16</sup> The level of fee is determined by the Executive Board and presently set to US\$ 400 per day.

\* The fee for desk review is included in the non-reimbursable application fee.



## Appendix 7

**Forms used in the CDM accreditation process**

1. The list below indicates the necessary forms by step of the CDM Accreditation Procedure. 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.
2. **Application for accreditation**
  - F-CDM-A = Application for accreditation
  - F-CDM-SCC = Self-completeness check
3. **Desk review**
  - F-CDM-DR = Desk review report
4. **On-site assessment of the applicant entity**
  - F-CDM-MA = Standard agenda for opening and closing meeting
  - F-CDM-MAR = Attendance register for meetings
  - F-CDM-NC = Non-conformity (NC), corrective action and clearance form
  - F-CDM-OR = On-site assessment report
  - F-CDM-FR = Final assessment report
5. **Performance assessment**
  - F-CDM-MA = Standard agenda for opening and closing meeting
  - F-CDM-MAR = Attendance register for meetings
  - F-CDM-NC = Non-conformity (NC), corrective action and clearance form
  - F-CDM-PAval = Performance assessment report form – validation
  - F-CDM-PAver = Performance assessment report form – verification
  - F-CDM-PAval-a&r = Performance assessment report form – validation for afforestation and reforestation.
  - F-CDM-FR = Final assessment report
6. **Spot-check**
  - F-CDM-MA = Standard agenda for opening and closing meeting
  - F-CDM-MAR = Attendance register for meetings
  - F-CDM-NC = Non-conformity (NC), corrective action and clearance form
  - F-CDM-OR = On-site assessment report
  - F-CDM-FR = Final assessment report
7. **Regular surveillance**
  - F-CDM-MA = Standard agenda for opening and closing meeting
  - F-CDM-MAR = Attendance register for meetings
  - F-CDM-NC = Non-conformity (NC), corrective action and clearance form
  - F-CDM-OR = On-site assessment report
  - F-CDM-FR = Final assessment report



8. **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-W = Workplan for CDM assessment team
- F-CDM-CD= Complaints and Disputes form



## Appendix 8

**List of documents to be provided  
by DOE for performance assessment**

<b>Description</b>	<b>Validation function</b>	<b>Verification function</b>
Project Design Document (PDD)	X <sup>17</sup>	X
Date of making PDD publicly available	X	
Date of making monitoring report publicly available		X
Contract review documents	X	X
Conflict of interest analysis	X	X
Team competence justification with evidence	X	X
Monitoring report with working spreadsheet		X
Working spreadsheet (in Excel format)		X
Assessment plan		X
Report of the DOE's team that visited the project site	X	
Draft validation/verification report for internal technical review	X	X <sup>18</sup>
Corrective Action Requests (CARs) Clarification Requests (CLRs) and Forward Action Requests (FARs)	X	X <sup>18</sup>
Comments of the internal technical reviewer on the draft validation report by the DOE's team	X	
Final validation report	X	
Any other documents requested by the CDM- AT	X	X

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<sup>17</sup> All versions of the PDD<sup>18</sup> Documents shall be submitted after the on-site assessment.



## History of the document

Version	Date	Nature of revision
10.1	21 September 2010	Editorial revision to correct numbering of footnotes.
10	EB 56, Annex 2 17 September 2010	Revisions include: streamlining the processes covered under spot-check and suspension sections; reductions to time lines under the re-accreditation process; inclusion of processes to handle complaints from and against AE/DOEs; and, the incorporation of a table of indicative fees for CDM-AT members.
09.1	EB 48, Annex 3 17 July 2009	Changes made in ver 9.1 were of editorial nature and some consistency corrections: introduction; desk review, on-site assessment; performance assessment; regular surveillance; spot-check; accreditation for additional sectoral scopes; notification on changes of status of an AE/DOE; cost associated with application for extension of the accreditation scope; forms used in the accreditation process.
09	EB46, Annex 3 25 March 2009	Performance monitoring replaced witnessing activities and phased accreditation; timelines were revised; provision for on-site assessment of non-central offices.
08	EB34, Annex 1 14 September 2007	Appeals procedure, appendix 2, was revised for specifying the establishment and responsibility of appeal panel.
07.1	22 June 2007	Changes made in ver 7.1 were of editorial nature (table of contents and references to appendices).
07	EB32, Annex 2 22 June 2007	Paragraph 30 (b) was revised and paragraph 31 was added for specifying the assessment process from CDM-AT. Paragraph 35 and 46 were slight revised for the process of disk review and on-site assessment.
06	EB 29, Annex 1 16 February 2007	Paragraph 69 was revised as a regular surveillance shall be undertaken within this three-year-period. The paragraph 71-87 were added for specified how to conduct regular surveillance. The counterpart requirements for cost associated with regular surveillance and regular surveillance assessment report were elaborated by the paragraph 14-16 from Annex D3 and F-CDM-SUR from Annex D4.
05	EB27, Annex 1 1 November 2006	Paragraph 78 (a) and (b) were revised for more elaboration of the suspension or withdrawal the designation of a designated operational entity. Paragraph 79-82 were added for specifying how to undertake corrective actions and its follow-up actions related to non-conformities within the time-frame identified by the Board in its decision.
04	EB26, Annex 1 29 September 2006	The phasing of accreditation was added to section B1.1 and Annex D.6. The developing list of sectoral scopes of accreditation and completeness check were added respectively to the paragraph 11 and 26. The desk review, on-site assessment, and witness activities were more elaborated by the following section of C.2, C.3, and C.4. The "cost" was introduced by revised section D.3 .
03	EB13, Paragraph 11 26 March 2004	Paragraph 4.3, 68.2, and 45.2 were revised according to paragraph 11, EB13 report.
02	EB 07, Annex 2 30 January 2003	Immediately public availability was slight elaborated as paragraph 1- 2; and paragraph 17 publication of the sectoral scope(s) applied was added. Definition of accreditation scope was revised as paragraph 6. Paragraph 29.4, Annex D.3-8.3, and Annex D.5 were added for completeness of whole document.
01	EB 5, Annex 2 8 Aug 2002	Initial adoption
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Procedure <b>Business Function:</b> Accreditation		