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## Annex 3

### ACCREDITATION OF OPERATIONAL ENTITIES BY THE EXECUTIVE BOARD OF THE CDM

#### Note by the secretariat

##### A. Background

1. In accordance with the modalities and procedures for a clean development mechanism (M&P CDM), project participants have to involve a designated operational entity to validate and register a CDM project activity. Therefore, the accreditation of operational entities represents an urgent task for the executive board in order to facilitate the prompt start of the CDM.
2. The executive board shall be responsible for the accreditation of operational entities, in accordance with accreditation standards contained in Appendix A, and make recommendations to the COP/MOP for the designation of operational entities, in accordance with Article 12, paragraph 5<sup>1</sup>. This responsibility includes:
  - (a) Decisions on re-accreditation, suspension and withdrawal of accreditation;
  - (b) Operationalization of accreditation procedures and standards<sup>2</sup>.
3. Further, in accordance with the M&P CDM, “the executive board may seek assistance in performing its functions”<sup>3</sup> and it “may establish committees, panels or working groups to assist in the performance of its functions. The executive board shall draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts. In this context, it shall take fully into account the consideration of regional balance.”<sup>4</sup> In case the executive board decides to establish an accreditation procedures panel, draft terms of reference for its consideration are provided in attachment 1.
4. While the modalities and procedures for a CDM contain provisions on responsibilities and general accreditation standards, issues such as the detailed, transparent application of standards, witnessing procedures and application forms have yet to be developed. Under the guidance of the former co-chairs of the negotiating group on mechanisms and in consultation with experts<sup>5</sup> a draft of detailed procedures for accreditation of operational entities under the executive board had been prepared prior to COP 7 (see attachment 2). Given the time constraint and the technical detail of the issue, the executive board was to elaborate further on the matter. Key issues for consideration include: scoping of accreditation, surveillance and qualification of experts conducting the assessment of an applicant entity
5. As of 21 December 2001, the secretariat has received a total of 16 requests for information on application formalities.

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<sup>1</sup> As a prompt start provision, the executive shall accredit operational entities and designate them, on a provisional basis, pending the designation by the Conference of the Parties at its eighth session (decision para. 5(b)).

<sup>2</sup> M&P CDM para. 5(f)

<sup>3</sup> M&P CDM para. 25

<sup>4</sup> M&P CDM para. 18

<sup>5</sup> Please refer to footnote 7 of attachment 2.

**B. Possible scenario for work in 2002**

6. At its second meeting, the executive board may wish to:
  - (a) Consider the background documentation attached and provide feedback to the secretariat.
  - (b) Decide on how to proceed, including possibly of establishing an “accreditation procedures panel” (APP) which would prepare draft detailed procedures to operationalize the accreditation of operational entities and necessary forms. This panel could meet physically and/or electronically prior to the third meeting of the executive board (see schedule of meetings in Annex 1 to the annotated proposed agenda).
7. At its third meeting, the executive board may wish to:
  - (a) Consider and decide to adopt the detailed procedures on accreditation
  - (b) Decide to open the application process.
8. The executive board may, starting possibly with its fifth meeting, be in the position to accredit operational entities which would allow projects to be submitted for validation.

**Attachments:**

- Attachment 1: Accreditation procedures panel (APP) – DRAFT TORs
- Attachment 2: Draft technical paper on detailed procedures

***Attachment 1***

**TERMS OF REFERENCE FOR THE ESTABLISHMENT OF  
AN “ACCREDITATION PROCEDURES PANEL”**

**A. Work to be carried out**

1. The panel shall review and prepare a final draft proposal to the executive board on detailed accreditation procedures for consideration by the executive board at its third meeting. This proposal shall include:

- (a) Detailed accreditation procedures (based on the draft available);
- (b) Identify qualification criteria for panels/committees/assessment teams as required;
- (c) Application forms as needed (drafts to be prepared by the secretariat for the first meeting of the panel).

**B. Membership**

2. **Qualifications:** Panel members shall be accreditation experts working for at least ten years in either a national, regional or international accreditation body or an international organization for accreditation and/or certification bodies. In addition to general qualification requirements for panel members and/or reviewers, these experts should have worked on issues related to accreditation under the CDM.

3. **Size and composition:**

- (a) Option 1: 12 experts: Same composition as the executive board members and one nominee, respectively, of the international accreditation forum (IAF) and the International Organization of Independent Certifiers (IOIC).
- (b) Option 2: 7 experts: One expert from each of the five United Nations regional groups and one nominee, respectively, of the international accreditation forum (IAF) and the International Organization of Independent Certifiers (IOIC)<sup>6</sup>.

In addition to the panel, a list of [10] [20] expert reviewers may be established. These reviewers may be invited by the executive board to comment on the drafts of the panel.

**C. Resource requirements**

4. Panel members and expert reviewers shall receive, in accordance with United Nations rules and regulations:
- (a) A fee for the days worked/work accomplished,
  - (b) If required to travel, a ticket and daily subsistence allowance.

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<sup>6</sup> The draft detailed procedures have been prepared assuming this option to be applicable.

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5. In addition, costs for meeting facilities and communication would need to be covered.

*Attachment 2*

**Technical Paper  
DETAILED PROCEDURES TO OPERATIONALIZE  
THE ACCREDITATION OF OPERATIONAL ENTITIES**

**A. Introduction**

1. This technical paper contains a proposal for detailed procedures to operationalize the accreditation of operational entities by the executive board in accordance with the annex on modalities and procedures (M&P) for a clean development mechanism (CDM), in particular the provision contained in paragraph 5 (f) (ii). The ISO guidelines for accreditation bodies (ISO/IEC 61) and comments by a number of experts<sup>7</sup> have been used as a guide to develop these procedures so that the accreditation and subsequent designation of operational entities would conform as closely as possible to international requirements for accreditation processes.
2. This technical paper is based on the relevant provisions contained in the annex on modalities and procedures for a CDM adopted by COP7, including Appendix A to the annex on accreditation standards for operational entities. In accordance with the M&P, the executive board of the CDM is responsible for the accreditation of operational entities and recommends those accredited for designation to the COP/MOP. The COP/MOP shall “review the regional and subregional distribution of designated operational entities (DOEs) and take appropriate decisions to promote accreditation of such entities from developing country Parties”<sup>8</sup>. The M&P further contains provisions on how suspension and withdrawal of DOEs are undertaken by the executive board and possible consequences.
3. This technical paper proposes to operationalize the accreditation of operational entities by drawing on the provisions that the executive board may “seek assistance in performing the functions”<sup>9</sup> and “establish committees, panels or working groups to assist in the performance of its functions. The executive board shall draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts. In this context, it shall take fully into account the consideration of regional balance.”<sup>10</sup>
4. This paper further proposes that it may be desirable, as one possible measure to promote regional and sub-regional distribution of DOEs, to delineate the scope of accreditation (i.e. by project types and/or functional role) so that the DOE would, for example, be authorized to only validate wind energy projects.

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<sup>7</sup> Mr. Kevin Boehmer (Standard Canada (also ISO Ad Hoc group on climate change)), Mr. Hernán Carlino (Ministry of Environment, Argentina), Mr. Sean Mc Curtain (SANAS, South Africa), Mr. Thomas Facklam (Vice President, International Accreditation Forum), Mr. John Henry (Standards Australia), Mr. Haroldo Mattos de Lemos (Brazilian coordinator on SBNT/CB 38 (ISO 14000)), Ms. Mariani Mohammad (Department of Standards, Malaysia), Mr. Phillip Shaw (United Kingdom Accreditation Service), Mr. Einar Telnes (DNV and IOIC), Ms. Anne Marie Warris (Lloyd's Register of Shipping)

<sup>8</sup> M&P para. 4 a

<sup>9</sup> M&P para. 25

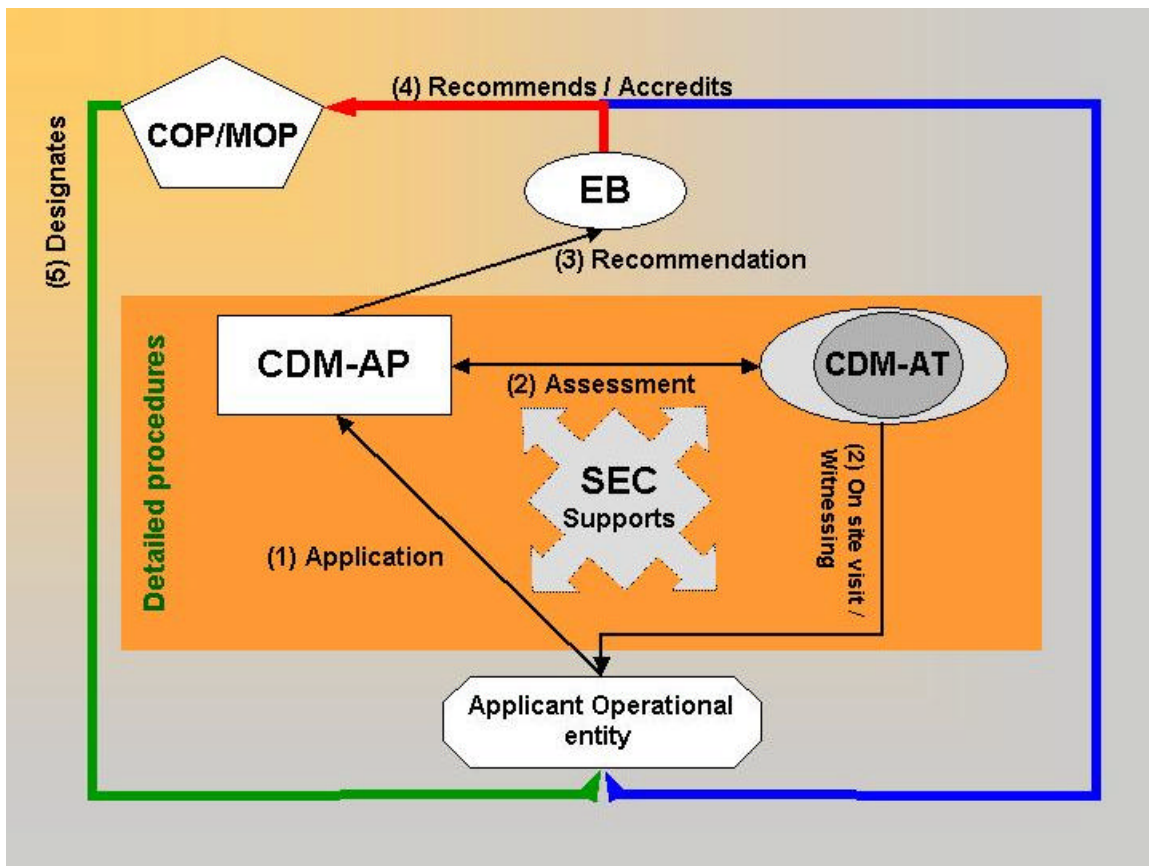
<sup>10</sup> M&P para. 18

II. ACCREDITATION AND DESIGNATION OF OPERATIONAL ENTITIES

A. Accreditation and designation in the annex on modalities and procedures for a clean development mechanism<sup>11</sup>

1. The executive board of the clean development mechanism (CDM) shall be responsible for the accreditation of operational entities<sup>12</sup>.
2. The executive board shall recommend accredited operational entities for designation to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP)<sup>13</sup>.
3. The COP/MOP shall designate operational entities of the CDM (DOE) on the basis of a recommendation by the executive board<sup>14</sup>.

Figure 1



CDM-AP: Accreditation panel; CDM-AT: Ad hoc accreditation assessment team

<sup>11</sup> M&P sections “C. Executive board”, “D. Accreditation and designation of operational entities”, “E. Designated operational entities”, and “Appendix A: Standards for the accreditation of operational entities”

<sup>12</sup> M&P paras 5 (f), 20 (a)

<sup>13</sup> M&P paras 5 (f), 20 (b)

<sup>14</sup> M&P para. 3 (c)

**B. Organizational set-up**

4. The organizational set-up for accreditation under the executive board shall comprise the CDM accreditation panel (CDM-AP)<sup>15</sup>, CDM ad hoc accreditation assessment teams (CDM-AT) and the UNFCCC secretariat (SEC) which services the executive board (and, by extension, its panels and accreditation teams).
5. The executive board shall assume the relevant responsibilities identified in the modalities and procedures for a clean development mechanism (M&P)<sup>16</sup> and in any of its revisions.
6. The executive board shall establish a CDM-AP in accordance with its rules of procedure and the M&P. Members of the CDM-AP shall not serve, at the same time, on any other panel established by the executive board. The accreditation panel shall elect its chairperson.
7. The decision on accreditation, re-accreditation, suspension or withdrawal of the accreditation of an operational entity by the executive board shall be based on a recommendation by the CDM-AP.
8. The accreditation panel may draw on a CDM-AT to undertake an assessment of an operational entity related to accreditation, re-accreditation, suspension or withdrawal. Members of a CDM-AT shall be selected by the CDM-AP ensuring that the team meets the qualifications set out in the section on “Ad hoc accreditation assessment team”. A team leader shall be identified by the CDM-AP for each CDM-AT.
9. In the context of servicing the executive board, the secretariat shall also assist the CDM-AP and the CDM-AT.

**C. Management system**

10. The executive board shall define and document policies, including a quality management policy, for its operations, including its goals for and commitment to quality. The executive board shall ensure that the policies are understood, implemented and maintained at all levels of the organizational set-up.
11. The executive board shall establish and operate a quality management system appropriate to the type, range and volume of work performed. This system shall be documented in a manual and associated documents. The executive board shall ensure that the manual and associated documents are easily accessible and shall ensure full understanding and effective implementation of the system’s procedures.
12. The executive board quality management system shall define the roles, responsibilities and interfaces for all positions necessary for the effective operation of accreditation. The executive board quality management system shall define and document procedures for key processes of the organizational set-up and criteria for these. It shall also establish and maintain procedures for:
  - (a) Document and data control, including handling of records

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<sup>15</sup> In order to keep the administrative cost and fees as low as possible, the composition of this panel could be: One accreditation specialist for each regional group of the UN, one accreditation specialist from the international accreditation forum and one specialist from the International Organization of Independent Certifiers (IOIC)

<sup>16</sup> M&P sections “C. Executive board” and “D. Accreditation and designation of operational entities”

- (b) Use of subcontractors
  - (c) Training of secretariat staff and subcontractors
  - (d) Handling of complaints
  - (e) Internal audits and management review of operational performance
  - (f) Continuous improvement of operations.
13. One person shall be appointed to be responsible for the effective implementation and operation of the executive board quality management system and its improvement.

**D. Conditions for granting, maintaining, extending, reducing, suspending and withdrawing accreditation**

14. An applicant entity shall meet all the requirements for accreditation contained in the provisions of the M&P and those required under the accreditation procedures set out below.
15. The executive board shall take steps to ensure that each accredited operational entity complies with the terms of its accreditation and does not represent any work it may undertake as being accredited by the UNFCCC unless that work is within its scope of accreditation. A “spot-check”, i.e. an unscheduled surveillance, may be conducted at any time to confirm compliance with the requirements in accordance with provisions referred to in the respective section below.
16. An operational entity may apply for an additional scope of accreditation in accordance with special procedures for an extension of scope as set out in the section on accreditation procedures.
17. The scope of accreditation of a designated operational entity may be reduced on the request of the designated operational entity or as a result of a spot-check/surveillance or a re-accreditation procedure.
18. The accreditation of a designated operational entity may be suspended or withdrawn in accordance with the provisions contained in the M&P.

**E. Documents, records and confidentiality**

19. The executive board shall establish and maintain procedures to control, keep and safeguard all relevant records, databases and documents. The procedures shall ensure that confidential information is safeguarded.
20. Decisions by the executive board shall be made publicly available in accordance with provisions in the M&P.
21. Documents and records relating to an operational entity shall be kept for a period of ten years after the operational entity ceases its operation under the CDM.
22. For each operational entity, records shall be kept in printed or electronic form, as appropriate, on:



- (a) The assessment process relating to accreditation, spot-check/surveillance, re-accreditation, suspension or withdrawal procedures;
  - (b) Documents and data gathered with regard to accreditation, spot-check/surveillance, re-accreditation, suspension or withdrawal procedures;
  - (c) Complaints, appeals and disputes;
  - (d) Contact information;
  - (e) The scope of designation;
  - (f) The status of accreditation and designation as applicable.
23. Each record shall receive an identification number and its distribution/access shall be recorded.
24. The secretariat shall maintain a publicly available list of designated operational entities providing for each DOE:
- (a) The contact information;
  - (b) The scope of designation;
  - (c) The status of accreditation and designation as applicable.
25. Other information obtained through the accreditation process shall remain confidential.

**F. Members of the CDM-AP and the CDM-AT**

26. In accordance with the M&P, the executive board may “establish committees, panels or working groups to assist in the performance of its functions. The executive board shall draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts. In this context it shall take fully into account consideration of regional balance.”<sup>17</sup>
27. Experts selected for the CDM-AP or the CDM-AT shall have demonstrated knowledge in the area of accreditation and certification. The experts shall document their competence through a self-declaration and references from clients, employers and /or professional bodies.
28. The CDM-AT, as a team, shall:
- (a) Be familiar with relevant legal regulations, procedures and requirements related to accreditation, spot-check/surveillance, re-accreditation, suspension or withdrawal, as applicable, and have a thorough knowledge of the relevant methods and documents;
  - (b) Have appropriate technical knowledge of the specific scope (see Annex on “Scope of accreditation”) and related activities for which accreditation is sought and, where appropriate, with associated procedures and potential for failure;
  - (c) Have a degree of understanding sufficient to make a reliable assessment of the competence of the entity to operate within its scope;

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<sup>17</sup> M&P para. 18

(d) Be able to communicate effectively, both in writing and orally, in English and the operating language of the entity to be assessed;

(e) Be free from any interest that may cause the team to act in other than an impartial and non-discriminatory manner.

29. The executive board shall require members of CDM-AP/CDM-AT and experts to commit in writing to comply with the rules defined by the executive board and the modalities and procedures for a CDM, in particular with regard to confidentiality and to independence from commercial and other interests, including any existing or prior association with the entity to be assessed.

30. The secretariat shall maintain a record on CDM-AT members and experts consisting of:

(a) Name and address;

(b) Affiliation and position held in the organization;

(c) Educational qualifications and professional status;

(d) Experience and training in each field of competence referred to in the Annex “Competency requirements for assessment team members”;

(e) Date of most recent updating of record;

(f) Performance appraisals;

(g) Assessment log.

31. The secretariat shall ensure and verify that subcontracted bodies maintain records of personnel who perform functions related to accreditation, spot-check/surveillance, re-accreditation, suspension or withdrawal procedures which satisfy the requirements of this document.

### **III. PROCEDURES FOR ACCREDITATION, SPOT-CHECK/SURVEILLANCE AND RE-ACCREDITATION**

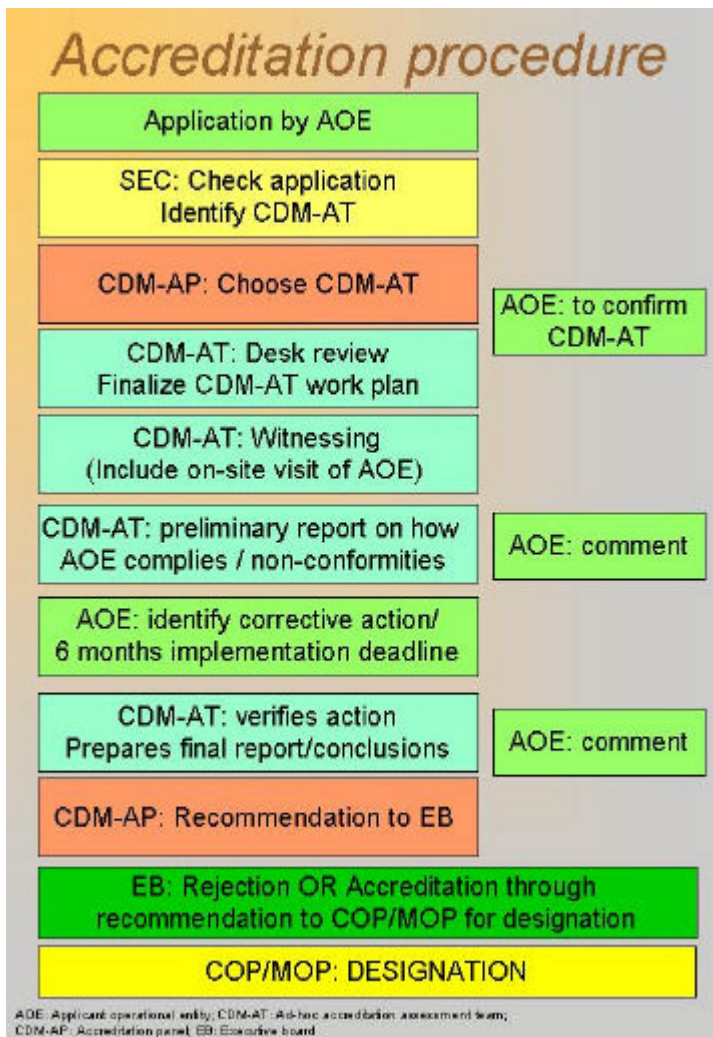
#### **A. Accreditation procedure**

32. The accreditation procedure (“Figure 2”) shall consist of:

(a) A desktop review of the applicant entity by an CDM-AT;

(b) The witnessing by the CDM-AT of at least one activity performed by the applicant entity after successful desktop review by the accreditation team. One witnessing shall include the on-site review of the applicant entity.

Figure 2



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

34. An applicant entity shall submit to the secretariat of the executive board the documentation specified in the Annex "Application documents". If the applicant operational entity is a designated operational entity requesting an additional scope of accreditation the documentation required is specified in the same Annex.

35. The secretariat shall undertake an initial review with regard to the completeness of documents and information submitted. If the documentation is found incomplete, additional information shall be submitted by the applicant entity.

36. If the application documents are complete, the secretariat shall prepare a file for the accreditation panel. The file shall contain:

- (a) Relevant application documents;

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- (b) Candidates for the CDM-AT<sup>18</sup> (including a proposed team leader);
  - (c) A draft of the work plan for the assessment team in accordance with the Annex “Basic elements of an assessment by an accreditation team”.
37. The CDM-AP shall:
- (a) Choose the CDM-AT and identify the CDM-AT team leader taking into consideration issues of consistency of accreditation assessments;
  - (b) Review the application and, as appropriate, identify key areas or issues to be addressed by the CDM-AT.
38. The secretariat shall inform the applicant entity of the composition of the CDM-AT. The applicant entity may object in writing within three working days to members of the CDM-AT on the basis of the competency requirements set out in the Annex “Competency requirements for assessment team members”. In case of a substantiated objection, the CDM-AP shall identify a replacement.
39. The secretariat shall provide the CDM-AT with:
- (a) The information related to the application;
  - (b) Comments from the CDM-AP;
  - (c) The draft work plan for the assessment reflecting comments by the CDM-AP.
40. The CDM-AT shall, with the assistance of the secretariat:
- (a) Undertake the desk review of the application;
  - (b) Decide if more than one witnessing activity is required;
  - (c) Finalize the work plan for the witnessing activities, in particular on the scope and detail of the on-site review of the applicant entity.
41. The secretariat shall inform the applicant entity in due time of the work plan for the witnessing, including the on-site review of the applicant entity.
42. The on-site visit shall consist of:
- (a) An opening meeting, chaired by the CDM-AT team leader, between the accreditation team, the applicant entity’s management, managers of the units to be involved in the review and the person identified by the applicant entity as the official contact person for the accreditation team. In this meeting, the assessment team shall explain its review activities and criteria;

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<sup>18</sup> In order to strengthen local capacities in Parties not included in Annex I, a representative of the national accreditation body and a national expert, if available, could be invited to join the activities of the CDM-AT as an observer.

(b) A review by the CDM-AT of the services of the applicant entity against the requirements:

- (i) Contained in the modalities and procedures of the CDM<sup>19</sup>;
- (ii) Related to the particular scope of accreditation sought as defined in the annex “Scope of accreditation and related accreditation requirements”;

(c) A closing meeting, before the end of the site visit, between the assessment team and the applicant entity's management to inform the applicant entity of the details of assessment regarding conformity, basis for non-conformities and any additional comments. This meeting shall provide an opportunity to the applicant entity to seek clarification and ask questions, if any.

43. The CDM-AT shall, after the last witnessing activity, finalize its preliminary report. The applicant entity shall have the opportunity to ask for clarification and to comment on the draft preliminary report before it is finalized. The preliminary report shall contain as a minimum:

- (a) The date(s) of the assessment(s);
- (b) The name(s) of the CDM-AT responsible for the report;
- (c) The name(s) and address(es) of all the applicant entity sites assessed (on-site review);
- (d) The scope of accreditation assessed;
- (e) An assessment of the competence and experience of the organization in the scope of accreditation assessed, including the names of key staff encountered and their qualifications, experience and authority;
- (f) The adequacy of the internal organization and procedures adopted by the applicant entity ensuring confidence in the quality of its services;
- (g) Description of the validation and/or verification/certification activities witnessed;
- (h) A description of the conformity of the applicant entity with the accreditation requirements, in particular in regard to key areas or issues identified by the CDM-AP and, where applicable, any useful comparisons with the results of previous assessments of the applicant entity;
- (i) An identification and description of non-conformities.

44. The applicant entity shall:

- (a) Receive, from the secretariat, the preliminary report;
- (b) Have 30 days to identify actions to resolve non-conformities including timeframes for each action. All actions identified should be completed within six months. If actions are not completed within six months, the applicant entity shall submit a new application for accreditation.

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<sup>19</sup> Contained in Appendix A to the Annex decision 17/CP.7.

45. The CDM-AT shall verify the implementation of actions to address non-conformities and prepare, with the assistance of the secretariat, a final report.
46. The applicant entity shall have the opportunity to comment on the draft final report.
47. The final report shall contain as a minimum:
  - (a) The preliminary report;
  - (b) The actions taken to correct non-conformities identified in the preliminary report;
  - (c) Conclusions regarding accreditation for consideration by the CDM-AP.
48. The CDM-AT shall submit its final report to the CDM-AP.
49. The CDM-AP shall consider the final report and prepare a recommendation to the executive board regarding accreditation of the applicant entity.
50. The executive board shall consider the recommendation by the CDM-AP at its next meeting in accordance with its rules of procedure regarding availability of documents prior to its meetings.
51. The executive board shall decide whether to:
  - (a) Accredit the applicant entity by recommending it to COP/MOP for designation as an operational entity; or
  - (b) Reject the application.
52. The secretariat will inform the applicant entity of the decision by the executive board and make the decision publicly available in accordance with the rules of procedure of the executive board.
53. The designation<sup>20</sup> for a particular scope shall be valid for three years from the date COP/MOP adopted its decision. No regular surveillance related to a particular scope shall be undertaken within the three-year period.
54. A designated operational entity shall have the opportunity for re-accreditation in accordance with the provisions below.

## **B. Unscheduled surveillance (“spot-check”)**

55. The M&P provide for the possibility to undertake “spot-checks” activities (i.e. unscheduled surveillance) on designated operational entities. The executive board delegates the authority to conduct such “spot-check” activities to the CDM-AP. The accreditation panel shall submit a report and a recommendation to the executive board on each “spot-check” activity. The executive board shall take the final decision on the result of a “spot-check”.

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<sup>20</sup> In the prompt start phase, the accreditation by the executive board is equivalent to designation, on a provisional basis, pending the designation by the Conference of the Parties at its eighth session. However, the validity of the accreditation shall extend to three years after the decision by COP at its eighth session.

56. The executive board may at any time decide to initiate a “spot-check” to be conducted. A “spot-check” may be triggered by:

- (a) A request for review submitted at issuance of CERs in accordance with the M&P;
- (b) Changes significantly affecting the quality of a designated operational entity’s operations and performance, such as ownership, organizational structure, internal policies and procedures, technical expertise of personnel;
- (c) A written complaint regarding the failure of a designated operational entity to comply with its terms of accreditation by either another designated operational entity and/or NGOs accredited with UNFCCC.

57. After a “spot-check” has been initiated, the secretariat informs the designated operational entity concerned and the CDM-AP. The secretariat shall attempt to resolve the matter in case of minor objections.

58. In case the matter may not be resolved by the secretariat, the accreditation panel shall consider the case. The CDM-AP shall decide whether:

- (a) To recommend to the executive board the suspension of the accreditation in accordance with the provisions of the M&P and to establish a CDM-AT to conduct an assessment as to whether the designated operational entity continues to meet the accreditation requirements;
- (b) To establish a CDM-AT, without suspension of designation, to carry out surveillance functions.

59. The accreditation assessment procedures described above shall apply to “spot-check” activities, with the exception that the CDM-AP may decide, in the case that the operational entity was not suspended, that no on-site review and/or witnessing activity shall be carried out.

60. Upon reception of the final “spot-check” report of the CDM-AT, the CDM-AP shall make a recommendation to the executive board.

61. The executive board shall decide whether to:

- (a) Confirm the accreditation and designation of the designated operational entity;
- (b) Confirm the suspension and therefore withdrawal of the accreditation and designation of an entity.

62. The secretariat shall inform the designated operational entity and, as applicable, those that initiated the “spot-check” activity of the decision by the executive board.

### **C. Re-accreditation**

63. The secretariat shall inform a designated operational entity in due course when a scope of accreditation is expiring and request the designated operational entity to confirm whether it wishes to apply for re-accreditation.

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64. The designated operational entity shall submit to the secretariat the documentation specified in the Annex "Application documents".
65. An operational entity may request re-accreditation at an earlier time to group the re-accreditation of several scopes into one re-accreditation process.
66. After submission of the application documents, the accreditation procedures described above shall apply, with the exception that the CDM-AP may decide that no on-site review and/or witnessing activities are required.
67. The executive board shall recommend either re-designation, withdrawal, suspension or reduction of scope of a designated operational entity based on the recommendation of the CDM-AP.

## **D. Notification on changes of status of an OE**

68. A designated operational entity shall inform the secretariat of significant changes affecting its:
- (a) Legal, commercial or organizational status, e.g. ownerships, partnerships;
  - (b) Key professional staff;
  - (c) Management system;
  - (d) Compliance with accreditation requirements.
69. Any change that may affect the designated operational entity's performance or conditions specified for the granting of accreditation shall be communicated to the secretariat within five days.
70. The executive board shall give due notice to designated operational entities of any changes to requirements for accreditation or designation through announcing such changes on the UNFCCC CDM web site.



**Annex: “Scope of accreditation and related accreditation requirements”**

1. This annex identifies the requirements in addition to Appendix A of the M&P which an operational entity has to meet in order to be accredited for a specific scope including documents to be submitted for application in addition to those identified in the Annex "Application documents". The scope of accreditation comprises those activities and sectors/subsectors related to which a designated operational entity may perform any functions ascribed to designated operational entities in the M&P.
2. An applicant entity shall be accredited for validation and/or verification and certification if it meets the general accreditation requirements contained in the M&P and those related to any requested scope of accreditation.

**SCOPE**

*(Note: It is suggested to use IPCC inventory sectors as a basis to develop the particular requirements. The question is whether a distinction is to be made between validation and verification and certification as one scope. The table below makes this distinction.)*

Validation	Verification and Certification	Documents required for application
IPCC sector 1	Requirement A Requirement B	Requirement D Requirement ...
IPCC sector 2	Requirement ...	...
...	...	...

**Annex: “Competency requirements for assessment team members”**

1. A CDM-AT member shall have the following competencies:
  - (a) Knowledge of accreditation and certification procedures: **X** years of working experience;
  - (b) Knowledge of the Kyoto Protocol and the mechanisms, in particular the CDM: *(Note: What are the criteria? A UNFCCC recognized test?)*;
  - (c) Scientific/technical background relevant to the scope of the assignment: **X** years of relevant experience;
  - (d) Training and experience in management systems auditing.
2. In establishing a CDM-AT, the CDM-AP shall bear in mind that the team as whole shall have the competencies referred to in the section “Members of the CDM-AP and the CDM-AT” of this document.

**Annex “Basic elements of an assessment by an accreditation team”**

1. This section shall list the basic elements and assessment criteria in function of a scope of accreditation.

*(Note: This section require further expert input.)*

**Annex "Application documents"**

1. In case of an application for accreditation, the applicant entity shall provide the following documents:

- (a) Documentation on its legal entity status (either a domestic legal entity or an international organization) *(M&P<sup>21</sup>)*;
- (b) The names, qualifications, experience and terms of reference of senior management personnel such as the senior executive, board members, senior officers and other relevant personnel *(M&P)*;
- (c) An organizational chart showing lines of authority, responsibility and allocation of functions *(M&P)*;
- (d) Its quality assurance policy and procedures *(M&P)*;
- (e) Administrative procedures including document control *(M&P)*;
- (f) Its policy and procedures for the recruitment and training of operational entity personnel, for ensuring their competence for all necessary functions validation, verification and certification functions, and for monitoring their performance *(M&P)*;
- (g) Its procedures for handling complaints, appeals and disputes *(M&P)*;
- (h) Particular documents related to a scope of accreditation as defined in Annex “Scope of accreditation and related accreditation requirements”.
- (i) A declaration that the applicant entity has not pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity *(M&P)*;
- (j) 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 *(M&P)*:
  - (i) A declaration of all the organization’s actual and planned involvement in CDM project activities, if any, indicating which part of the organization is involved and in which particular CDM project activities *(M&P)*;

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<sup>21</sup> Some of the elements in the list are taken from the M&P (marked accordingly).

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- (ii) A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists (*M&P*);
- (iii) A demonstration that no conflict of interest exists between its functions as an operational entity 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 applicant operational entity or from the activities of related bodies (*M&P*);
- (iv) A demonstration that it, together with its senior management and staff, is not involved in any commercial, financial or other processes which might influence its judgement or endanger trust in its independence of judgement and integrity in relation to its activities, and that it complies with any rules applicable in this respect (*M&P*);

2. In the case of an application for re-accreditation or an additional scope, the designated operational entity shall submit, as applicable:

- (a) Particular documents related to the new scope of accreditation;
- (b) Updates of the documents required for accreditation ensuring that all information available to the executive board and the CDM-AP reflects the most up-to-date state of information.