Annex 1

Procedural guidelines for accrediting operational entities by the executive board of the clean development mechanism (CDM)

Contents

A. Introduction

1. In accordance with the modalities and procedures for the CDM (M&P)[1], the executive board (EB) of the clean development mechanism (CDM) shall accredit operational entities and recommend the designation of such entities to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP).

2. This document contains, in accordance with paragraph 5 (f) (ii) of the M&P, the procedural guidelines to operationalize the accreditation of operational entities under the executive board, taking into consideration paragraph 25 of the M&P. The EB may revise this accreditation procedure in the future.

3. Figure 1 below provides a scheme of how accreditation under the CDM is organized. The responsibility of each actor in the structure, as elaborated in the procedures in section C below, are as follows:

    3.1. The **COP/MOP** designates operational entities based on a recommendation by the EB.

    3.2. The **EB** takes the decision whether or not to accredit an applicant entity and recommend it for designation.

    3.3. The **CDM accreditation panel (CDM-AP)** is responsible for preparing a recommendation to the EB regarding the accreditation of an applicant entity based on assessment work conducted by a CDM ad hoc accreditation team (CDM-AT). The CDM-AP provides guidance to and approves the work plan of a CDM-AT.

    3.4. A **CDM ad hoc accreditation team (CDM-AT)**, under the guidance of the CDM-AP, undertakes the detailed assessment of an applicant entity, identifies non-conformities and reports to the CDM-AP. The CDM-AT is established by the CDM-AP which draws from a roster of experts established by the EB for this purpose.

    3.5. The **secretariat (SEC)** of the EB supports the implementation of accreditation procedures.

4. The assessment of an application is composed of three main elements:

    4.1. **Desk review** by members of a CDM-AT of the documentation submitted by an entity;

    4.2. **On-site assessment** on the premises of the entity by a CDM-AT. The purpose of this assessment is to confirm whether the operational existence corresponds to the documentation provided by the entity. The assessment is to provide the assurance that the entity has the potential to perform the tasks related to the scope of accreditation to which it applied in same manner and quality as other designated entities.

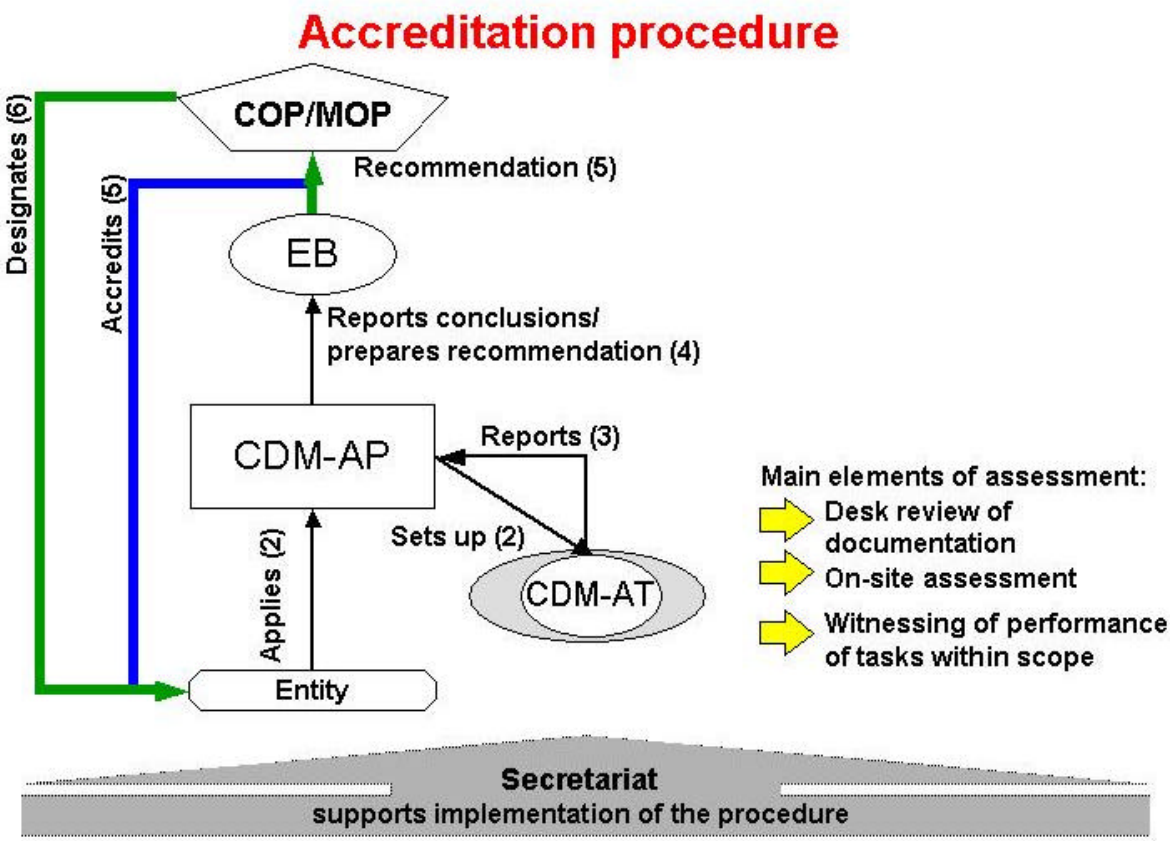
    4.3. **Witnessing** the performance of tasks by an entity which relate to the scope of accreditation for which it applied (see section B Scope of accreditation for more information on scope of accreditation). Qualified members of the CDM-AT are witnessing the performance. The CDM-AP decides whether [more than one] witnessing is required.

    4.4. "**Spot-check"** which is an unscheduled assessment activity of a designated operational entity involving the CDM-AP and CDM-AT. The EB may decide to conduct "spot-check"

[1] See decision 17/CP.7 contained in the report of the seventh session of the Conference of the Parties (FCCC/CP/2002/13/Add.1 available on the UNFCCC CDM (http://unfccc.int/cdm) or UNFCCC (http://unfccc.int) website)

activities at any time with a view to assess whether a designated operational entity still meets accreditation requirements. The CDM-AP prepares a recommendation to the EB. The EB takes a final decision on the status of accreditation of a designated operational entity.

Figure 1



B. Scope of accreditation

B.1. *Definition of scope of accreditation*

5. A scope of accreditation sets the limit of the work a designated operational entity may perform under the CDM and determines the requirements it has to meet in order to be [accredited/designated][considered by the EB for accreditation/designation]. Any scope includes at least the requirements identified in Appendix A to the M&P.

6. A scope of accreditation is composed of at least one "functional sub-scope" and at least one "sectoral sub-scope".

7. The "functional sub-scope" is related to the two functions a designated operational entity may perform in the context of the project cycle of the CDM:

    7.1. Validation of proposed CDM project activities

    7.2. Verification and certification (V&C) of registered CDM project activities.

8. The "sectoral sub-scope"[2] determines the sector(s)/technology(ies) of project activities related to which a designated operational entity may perform validation and/or verification and certification. A "sectoral sub-scope" determines the requirements a designated operational entity needs to meet with respect to a "functional sub-scope".

9. An entity[3] may apply to be accredited for a scope which is a combination of at least one "functional sub-scope" and at least one "sectoral sub-scope".

10. A designated operational entity may apply to be accredited for an additional scope(s).

11. In accordance with paragraph 5 (f) (ii) of the M&P, the executive board will, over time, establish a list of sub-scopes of accreditation defining, for each sub-scope, the standards/criteria to be met in addition to those determined by Appendix A of the M&P, as applicable. The list will be available electronically on the UNFCCC CDM website.

B.2. ***Procedure to develop the list of "sectoral sub-scopes" of accreditation***

12. An entity applying for accreditation may propose the definition(s) for new "sectoral sub-scope(s)".

13. An entity that wishes to propose a new "sectoral sub-scope", shall submit, together with its application for such a new sub-scope, a brief description of the proposed "sectoral sub-scope(s)" and list the specific requirements an entity would need to meet with respect to a "functional sub-scope" in order to be [accredited/designated][considered for accreditation/designation].

14. The CDM-AP considers the new proposed "sectoral sub-scope" together with the application file (see section "C.1. Accreditation").

15. The CDM-AP defines, to the extent possible, the new "sectoral sub-scope" at the meeting at which it considers the application file. In this context the CDM-AP may modify the proposed new "sectoral sub-scope".

16. If the CDM-AP agrees to the new proposed "sectoral sub-scope", it proceeds with the accreditation procedure by considering the application file. The new sub-scope is registered in the list of "sectoral sub-scopes".

17. If the CDM-AP modifies the proposed new "sectoral sub-scope", the new "sectoral sub-scope" is registered in the list of "sectoral sub-scopes" and the accreditation procedure (see section "C.1. Accreditation") changed as follows:

    17.1. The CDM-AP considers the application file in accordance with the accreditation procedure and provides, in addition to what is required under the accreditation procedure, guidance regarding, *inter alia*, additional documentation as required in function of the new "sectoral sub-scope", if required.

    17.2. The entity is informed of

        17.2.a. The new "sectoral sub-scope";

        17.2.b. The additional documentation required, if applicable;

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[2] This "sector sub-scope" is proposed to operationalizes the requirements (1 (b) and 1 f (vi) and at the same time to provide the potential for a wider geographical distribution of operational entities. The development of such sector sub-scopes shall be guided by the sector/source categories contained in Annex A of the Kyoto Protocol.

[3] "Entity" refers to an entity that is not a designated operational entity. "applicant entity", also used in this document, refers to either an entity or a designated operational entity.

17.2.c. The composition of the CDM-AT.

17.3. In accordance with the accreditation procedure, the entity has six (6) working days to reply in writing whether it wishes to proceed with its application for the new "sectoral sub-scope" or withdraw its application. If it wishes to proceed with its application, it shall also inform, within the same deadline whether it objects or not to the composition of the CDM-AT in accordance with the provisions of the accreditation procedure.

17.4. If the entity wishes to proceed with its application, the accreditation procedure is implemented accordingly.

C. Procedures for accreditation, unscheduled surveillance, re-accreditation and notification of changes

C.1. *Accreditation*

18. The accreditation procedure addresses (see also "Figure 2 a")[4] the following main steps:

18.1. The application by an entity;

18.2. The consideration of the application file by the CDM-AP;

18.3. The desk review by a CDM-AT of the documentation provided by the applicant entity;

18.4. On-site assessment by the CDM-AT of the premises of the applicant entity;

18.5. [If decided by the CDM-AP,]witnessing by the CDM-AT of at least one task related to the scope of accreditation performed by the applicant entity. Where possible, one of the witnessing activities could be combined with the on-site assessment of the premises of the applicant entity.

18.6. The reporting of the CDM-AT to the CDM-AP;

18.7. The recommendation on accreditation by the CDM-AP to the EB;

18.8. The decision of the EB.

19. An applicant entity shall submit to the SEC an application form (F-CDM-A[5]) and all the documentation specified in the Annex "Application documents". The same annex specifies the documentation to be submitted by a designated operational entity requesting an additional scope of accreditation.

20. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee. As costs of accreditation are to be borne by the entity (see Annex "Fee structure"), the related step in the accreditation procedure will only be implemented once payments are received. Applications will be processed in the order in which the application fees are received.

21. The secretariat checks the completeness of documents and information submitted. If the documentation is found incomplete, the secretariat will inform the applicant entity of the missing elements it has identified. The accreditation procedure is continued once all required documentation is received. The applicant entity has the obligation to inform the CDM-AP in writing of any change pertaining to the information submitted and/or required for accreditation.

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

[5] A list of forms is available in the annex "Forms used in the CDM accreditation process". The application form is available in a separate document on the UNFCCC CDM website.

22. If the application documents are complete, the secretariat shall prepare an application file for the CDM-AP. The file shall contain:

    22.1. All application documents;

    22.2. Suggestions with regard to:

        22.2.a. A list of possible candidates for the CDM-AT[6] (identifying those that qualify as team leaders);

        22.2.b. A draft of a work plan for the CDM-AT.

23. The CDM-AP shall:

    23.1. Choose the CDM-AT and identify the CDM-AT team leader. A CDM-AT consists, at a minimum, of three members, among them the team leader. The size of a CDM-AT for a particular application case may be larger depending on the size of the applicant entity, the documentation submitted and the scope(s) of accreditation applied for;

    23.2. Review the application and, as appropriate, identify particular issues for the assessment.

    23.3. Revise the draft work plan for the CDM-AT ensuring that it reflects the particular issues for the assessment.

24. The CDM-AP informs the applicant entity of the composition of the CDM-AT. The applicant entity may object, in writing within six (6) working days, to members of the CDM-AT identifying a conflict of interest of the member(s). In case the CDM-AP finds the objection substantiated, it identifies replacement(s) for the CDM-AT member(s) in question.

25. Each CDM-AT member has to sign the confidentiality and non-disclosure agreement (Form F-CDM-CA).

26. The CDM-AP shall provide the CDM-AT with:

    26.1. All information related to the application;

    26.2. The conclusions of its review of the application;

    26.3. The revised draft work plan for the CDM-AT.

27. The CDM-AT shall, with the assistance of the secretariat:

    27.1. Undertake the desk review of the application and prepare the desk review report (F-CDM-DR);

    27.2. Identify the need of, and accordingly the tasks, requiring witnessing activities [bearing in mind that the minimum number of witnessing activities is set to one (1)];

    27.3. Revise the details of the work plan in particular with regard to the scope and detail of the on-site assessment and each witnessing activity.

28. The CDM-AP approves the final work plan of the CDM-AT before action is taken, in particular with regard to the number of witnessing activities.

29. After approval by the CDM-AP, the secretariat shall inform the applicant entity of the work plan for the on-site assessment and witnessing.

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[6] In order to strengthen local capacities in Parties not included in Annex I, an additional representative of a national accreditation body relevant to the field and/or a national expert may join the activities of the CDM-AT as an observer at his/her cost and bound by the same confidentiality provisions a CDM-AT members. The modalities for implementing this provision may be considered by the executive board in due course.

30. Upon receipt of the work plan, the applicant entity shall identify, in writing, opportunities for witnessing and/or request to be included in the "List L" (see section C.5.).

31. The CDM-AT decides on whether the opportunities identified are appropriate and, if so, identifies, with the help of the SEC, the dates for the on-site assessment and the witnessing. In doing so, it shall bear in mind that the on-site assessment should be combined with a witnessing activity, if applicable.

32. In case the applicant entity is not in a position to identify enough opportunities for witnessing considered to be appropriate by the CDM-AT, and is not accredited for any other scope, it may request to be included in the list referred to in section C.5. below.

33. The on-site assessment consists of[7] the following steps:

33.1. 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 vis-à-vis the accreditation team. In this meeting, the assessment team shall explain its review activities;

33.2. A review by the CDM-AT of the services of the applicant entity against the requirements:

33.2.a. Contained in the modalities and procedures of the CDM[8];

33.2.b. Related to the particular scope of accreditation sought;

33.3. A witnessing activity, if applicable;

33.4. A closing meeting, before the end of the on-site assessment, between the assessment team and the applicant entity's management to [inform the applicant entity of the details of its assessment regarding conformity with accreditation requirements, 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][provide an opportunity to the applicant entity to seek clarification and ask questions and for the CDM-AT to provide a brief summary of its on-site visit.].

34. Each witnessing activity[9] identified in the work plan shall be carried out by a minimum of two suitably qualified members of the CDM-AT who shall witness in person an applicant entity performing the functions of validation or verification and certification relevant to the scope of accreditation. Each CDM-AT member shall prepare a witnessing report at the end of each witnessing which shall include an evaluation of the performance of tasks by the applicant entity with regard to (a) the scope of accreditation sought and (b) its knowledge of requirements for a CDM project activity in the relevant step of the project cycle under the M&P.

35. The CDM-AT may determine, in the context of the on-site assessment or approved witnessing activities, as applicable, the need for additional witnessing activities not foreseen in its work plan. It shall prepare a revision of its approved work plan and submit it to the CDM-AP. After approval by the CDM-AP of the revised work plan, the provisions of the accreditation for identifying witnessing opportunities and inclusion in the "List L" apply.

36. The CDM-AT shall, after the last witnessing activity, finalize its preliminary report (F-CDM-PR). 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:

36.1. The date(s) of the assessment(s);

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[7] Forms to be used for the on-site assessment are: F-CDM-OR, F-CDM-NC, F-CDM-MA, F-CDM-MAR

[8] Contained in the Annex to decision 17/CP.7 - Appendix A.

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

36.2. The name(s) of the CDM-AT members responsible for the report;

36.3. The name(s) and address(es) of all the relevant applicant entity sites assessed (on-site assessment);

36.4. The scope of accreditation assessed;

36.5. An assessment of the competence and experience of the applicant entity in the scope of accreditation assessed, including the names of key staff encountered and their qualifications, experience and authority;

36.6. The adequacy of the internal organization and procedures adopted by the applicant entity ensuring confidence in the quality of its services;

36.7. Description of the validation and/or verification/certification activities witnessed;

36.8. A description of the conformity of the applicant entity with the accreditation requirements, in particular with regard to key issues identified by the CDM-AP and, where applicable, any useful comparisons with the results of previous assessments of the applicant entity;

36.9. An identification and description of non-conformities with requirements related to the scope of accreditation.

37. The applicant entity shall:

37.1. Consider the preliminary report of the CDM-AT;

37.2. Have 30 days to identify corrective actions to resolve non-conformities, including timeframes for each action, or to withdraw its application. All actions identified should be completed within six months. If actions are not completed within six months, the application for accreditation is automatically rejected. The applicant entity may submit a new application for accreditation.

38. The CDM-AT shall verify the implementation of actions to address non-conformities and prepare, with the assistance of the secretariat, a draft final report.

39. The applicant entity shall have the opportunity to comment on the draft final report.

40. The CDM-AT shall submit its final report (F-CDM-FR) to the CDM-AP. The final report shall consist, as a minimum, of the following:

40.1. The preliminary report;

40.2. The actions taken to correct all non-conformities identified in the preliminary report;

40.3. The comments of the applicant entity on the draft final report and how they have been addressed by the CDM-AT;

40.4. Conclusions regarding accreditation for consideration by the CDM-AP.

41. The CDM-AP shall consider the final report by the CDM-AT and submit to the EB:

41.1. The final report by the CDM-AT;

41.2. Its conclusions regarding accreditation for consideration by the EB;

41.3. Its recommendation as to whether or not to accredit the applicant entity.

42. The CDM-AP informs the applicant entity of its recommendation. The applicant entity shall have six (6) days to appeal against this recommendation. An appeal shall be addressed to the SEC in accordance with the provisions contained in the Annex “Appeals procedure”.

43. The information submitted by the CDM-AP to the EB regarding accreditation of an applicant entity is to be considered as confidential.

44. The EB considers the submission by the CDM-AP at its next meeting, in accordance with its rules of procedure regarding availability of documents prior to its meetings.

45. The executive board shall decide whether to:

45.1. Accredit the applicant entity by recommending it to COP/MOP for designation as an operational entity; or

45.2. Reject the application. In this case the EB shall provide an explanation for the rejection.

46. The secretariat informs the applicant entity of the decision by the executive board and makes the decision publicly available in accordance with the rules of procedure of the executive board.

47. The designation[10] for a scope shall be valid for three (3) years from the date of designation by the COP/MOP. No regular surveillance shall be undertaken within this three-year-period. Unscheduled surveillance ("spot-check") may, however, be undertaken in accordance with the provisions contained in the section "C.2. Unscheduled surveillance ("spot-check")".

48. A designated operational entity shall have the opportunity for re-accreditation in accordance with the provisions of the section on "Re-accreditation".

C.2. *Unscheduled surveillance ("spot-check")*

49. The EB shall, In accordance with the M&P, conduct "spot-check" activities (i.e. unscheduled surveillance) of designated operational entities at any time.

50. The consideration by the EB to conduct a "spot-check" of a designated operational entity may be triggered by, *inter alia*:

50.1. A request for review submitted, in accordance with the M&P, at point of registration of a project activity or of issuance of CERs;

50.2. Information received on changes which significantly affect the quality of a designated operational entity's operations and performance, such as ownership, organizational structure, internal policies and procedures, technical expertise of personnel (In accordance with section "C.6. Notification on change of status of an DOE");

50.3. [A written, substantiated, complaint regarding the failure of a designated operational entity to comply with the requirements of its accreditation by

50.3.a. Another designated operational entity;

50.3.b. An NGO accredited with UNFCCC;

50.3.c. A stakeholder.]

51. Once the EB has decided to conduct a "spot-check", the secretariat informs the designated operational entity concerned and the CDM-AP.

52. The chair of the CDM-AP may, with the assistance of the secretariat, attempt to resolve the matter.

53. In case the chair of the CDM-AP cannot resolve the matter, the CDM-AP shall consider the case. The CDM-AP shall decide whether:

53.1. 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;

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[10] The validity of accreditation shall extend to three years after the date of designation by COP/MOP.

53.2. To establish a CDM-AT, without suspension of designation, to conduct an assessment as to whether the designated operational entity continues to meet the accreditation requirements.

54. The accreditation procedure applies to “spot-check” activities. In case the designated operational entity was not suspended, the CDM-AP decides on exceptions to the procedure such as the need of a full on-site assessment and/or witnessing activity by the CDM-AT or limitations of the assessment to particular requirements related to the scope of accreditation put in question.

55. In accordance with the accreditation procedure, the EB shall decide, based on the documents submitted by the CDM-AP, whether to:

55.1. Confirm the accreditation and designation of the designated operational entity;

55.2. Confirm the suspension and therefore the withdraw the accreditation and therefore designation of an entity (in accordance with para 5 (f) (i) of M&P.

56. The secretariat shall inform the designated operational entity of the decision by the executive board. The secretariat shall update relevant records and publicly available lists.

C.3. *Re-accreditation*

57. 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.

58. The designated operational entity shall submit to the secretariat the documentation specified in the Annex "Application documents".

59. A designated operational entity may request re-accreditation at an earlier time to group the re-accreditation or accreditation of several scopes into one re-accreditation process.

60. After submission of the application documents, the procedures for accreditation apply with a view to the executive board making a decision regarding recommending re-designation, withdrawal, suspension or reduction of scope of a designated operational entity based on the recommendation of the CDM-AP.

C.4. *Accreditation for additional scope(s)*

61. A designated operational entity may submit an application for the accreditation for additional scope(s) at any time. The procedure for accreditation described in the section “Accreditation” applies.

62. The designated operational entity applying for the accreditation for an additional scope(s) has the opportunity to request, at the same time, the re-accreditation for other scope(s) it is already accredited. This may enable the designated operational entity to streamline its re-accreditation schedule and reduce costs for re-accreditation.

63. The work of the CDM-AP and the CDM-AT shall be designed in a way to minimize costs by taking into consideration, as applicable, those scopes for which the applicant operational entity is already designated as well as recent work of the CDM-AP and/or CDM-AT with the same entity.

64. The recommendation of the CDM-AP to the EB, referred to in the procedure for accreditation, shall distinguish between accreditation for additional scope(s) and, if applicable, re-accreditation.

C.5. *List of applicant entities that have successfully passed the desk review and on-site assessment but were never accredited/designated (List L)*

65. The [CDM-AP][EB] maintains a public list ("List L" which provides the names of those applicant entities that are not accredited/designated for any scope of accreditation but have been found, in accordance with the procedure described in this section, to have successfully completed the desk review and the on-site assessment of the premises. This "List L" therefore contains the names of applicant entities which have not successfully completed[11] all witnessing activities considered necessary by the CDM-AP. .

66. An entity, which is not accredited/designated for any scope, may request in writing to be considered for inclusion in the "List L" if it determines, after it received, in accordance with the procedure for accreditation, the work plan for the CDM-AT, that it has no or not enough opportunities for witnessing activities. The same applies in the case that the need for additional witnessing activities were identified by the CDM-AT when conducting the on-site assessment and approved by the CDM-AP.

67. Upon receipt of the request for inclusion in the list, the CDM-AT shall complete the desk review and the on-site assessment in accordance with the procedure for accreditation and prepare a draft of the limited preliminary report. The limited preliminary report does not contain any information related to witnessing activities.

68. The same procedural steps following the preparation of the draft preliminary report, indicated in the procedure for accreditation, apply up to the point where the EB takes a decision on accreditation of an applicant entity based on the information received from the CDM-AP. Instead of taking a decision on accreditation of the applicant entity, the EB decides on whether or not to include the applicant entity on the "List L". *{Note: This paragraph could be changed to reflect the case where the decision on the inclusion in the list is left to the CDM-AP}*

69. In parallel to the procedure described in the preceding two paragraphs, the CDM-AT pursues the witnessing activities once the applicant entity identifies appropriate opportunities. After the last witnessing activity identified in the work plan, or the revised work plan, is completed, the CDM-AT prepares a draft preliminary report on witnessing. The steps following the preparation of the draft preliminary report in the procedure for accreditation apply hereafter until the step where the CDM-AT submits the final report on witnessing to the CDM-AP.

70. Upon receipt by the CDM-AP of the report of the CDM-AT on witnessing and the other information required by the accreditation procedure, the CDM-AP shall consider with a view to prepare a recommendation to the EB:

    70.1. The final limited report

    70.2. The report on witnessing

    70.3. The actions taken by the applicant entity to correct non-conformities identified in the final limited report and the report on witnessing;

    70.4. The comments of the applicant entity on the final limited report and the report on witnessing and how they have been addressed;

    70.5. Conclusions regarding accreditation for consideration by the CDM-AP.

71. The CDM-AP shall submit to the EB:

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[11] Successful completion means that all related non-conformities have been addressed, in accordance with the procedure of accreditation, to the satisfaction of the [CDM-AP][EB]

71.1. The reports from the CDM-AT;

71.2. Its conclusions regarding accreditation for consideration by the EB.

71.3. Its recommendation as to whether or not to accredit the applicant entity.

72. The accreditation procedure applies from this point. If the EB accredits the applicant entity, it shall be taken off the "List L" and included in the list of accredited entities. If the EB rejects to accredit the applicant entity, the EB shall decide whether or not to keep the applicant entity on the "List L".

C.6. *Notification on change of status of a DOE*

73. A designated operational entity shall inform the secretariat of significant changes affecting its:

73.1. Legal, commercial or organizational status, e.g. ownerships, partnerships;

73.2. Key professional staff;

73.3. Management system;

73.4. Compliance with accreditation requirements.

D. Annexes

D.1. *Annex: "Application documents"*

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

1.1. Documentation on its legal entity status (either a domestic legal entity or an international organization) *(M&P[12])*;

1.2. 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)*;

1.3. An organizational chart showing lines of authority, responsibility and allocation of functions *(M&P)*;

1.4. Its quality assurance policy and procedures *(M&P)*, including a procedures manual on how the entity conducts validation and/or verification and certification activities;

1.5. Administrative procedures including document control *(M&P)*;

1.6. Its policy and procedures for the recruitment and training of operational entity personnel, for ensuring their competence for all necessary validation, verification and certification functions, and for monitoring their performance *(M&P)*;

1.7. Its procedures for handling complaints, appeals and disputes *(M&P)*;

1.8. Particular documents related to a scope of accreditation. If a new scope is proposed, all relevant information that would permit the determination of such a new scope.

1.9. 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)*;

[12] Some of the elements in this list are taken from the M&P (marked accordingly).

1.10. 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)*:

1.10.a. 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)*;

1.10.b. A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists *(M&P)*;

1.10.c. 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)*;

1.10.d. 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:

2.1. Particular documents related to the new scope of accreditation;

2.2. 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.

D.2. ***Annex: "Appeals procedure"***

1. After being informed of the recommendation by the CDM-AP to the EB, an entity shall have the opportunity to appeal against the recommendation within six (6) working days. The appeal may only address the qualification of the team and/or non-compliance with procedures.
2. The appeal shall be submitted in writing to the designated officer in the SEC.
3. The designated officer shall immediately inform the CDM-AP and the EB of the appeal.
4. The designated officer shall submit to the EB, for consideration at its next meeting, taking into consideration deadlines for the submission of documents provided for in the draft rules of procedure, a file containing:

4.1. The appeal submitted by the entity;

4.2. The recommendation of the CDM-AP challenged by the entity;

4.3. A list of five (5) candidates for an appeal panel.

5. The EB shall consider the file and establish an appeal panel of three (3) members.
6. The appeal panel shall prepare a recommendation regarding the appeal for consideration at the next meeting of the EB.
7. The cost for conducting an appeals procedure shall be covered in accordance with the provisions in the annex "Fees".

D.3. *Annex: "Fees"*

1. This annex provides the structure for fees related to the accreditation of designated operational entities under the CDM. This annex does not provide the amount of fees but explains the underlying cost structure. The secretariat shall make publicly available standard cost items such as the charges for one CDM-AT member per day. .

Non-reimbursable application fee

2. The non-reimbursable application fee is calculated on the basis of the estimated average cost per application. The costs are to cover the CDM-AP meetings, the desk review of the application (budgeted: fee for CDM-AT member for two (2) working days) and related administrative expenses. The non-reimbursable application fee is to be paid at the time the application is submitted. Applications shall be processed in the order in which the SEC receives payments of the non-reimbursable fee. In case the desk review requires more than 2 working days, the SEC will include the cost in its quote referred to in paragraph 5 below.

Reimbursement conditions in case of withdrawal of an application

3. If an entity decides to withdraw its application any cost incurred up to this point will not be reimbursed. Only in the case where an entity decides to withdraw its application due a revision by the CDM-AP of its proposed a new "sectoral sub-scope", a reimbursement of **50**% of the non-reimbursable application fee will be effected.

Fee and costs associated with an on-site assessment of premises of an AOE

4. The applicant entity shall pay directly for the following cost items:

    4.1. Business airfare for each assessment team member (dates and schedules to be coordinated through the SEC);

    4.2. Accommodation, including breakfast, of members of the CDM-AT in a four star hotel;

5. In addition, the applicant entity shall pay to the SEC a fee to cover the cost for the work provided by the CDM-AT members. The SEC shall provide the applicant entity with a quote indicating the number of CDM-AT members and the days of intervention.

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

Costs associated with witnessing

7. The applicant entity shall pay directly for the following cost items:

    7.1. Business airfare for each assessment team member (dates and schedules to be coordinated through the SEC);

    7.2. Accommodation, including breakfast, of members of the CDM-AT in a four star hotel;

8. In addition the applicant entity pay to the SEC a fee for the work provided by the CDM-AT member(s). The SEC shall provide the applicant entity with a quote indicating the number of CDM-AT members and of the days of intervention.

9. The implementation of a witnessing activity is depending on the payment in advance of the costs and the fee indicated.

Costs of "spot-checks"

10. The costs for a "spot check" are to be covered by the designated operational entity concerned. The SEC will provide the designated operational entity with an itemized quote. The designated operational entity shall pay in advance. If the payment is not received within 30 days of the date of the receipt of

the quote the SEC informs the CDM-AP and the accreditation/designation of the operational entity is automatically and immediately suspended.

Costs of an appeal

11. The costs for an appeal are to be covered by the applicant entity concerned. The SEC will provide the applicant entity with an itemized quote. The designated operational entity shall pay in advance. After the payment by the applicant entity is received the appeal will be considered.

12. In case the appealing entity is given right through the appeals procedure, the entity shall be reimbursed the costs.

D.4. *Annex: "Forms used in the CDM accreditation process"*

1. The executive board, at its third meeting, requested the secretariat to prepare forms necessary for the accreditation process for consideration by the board at its fourth meeting. The list below indicates the necessary forms (F-CDM-__) by step of the accreditation procedure. Some forms can be used at several steps. The forms are available on the UNFCCC WWW site and may also be requested from the SEC.

Application for accreditation

- F-CDM-A = Application for accreditation

Desk review

- F-CDM-DR = Desk review report

On-site assessment of the applicant entity

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

Witnessing of activities performed by the applicant entity

- F-CDM-WR = witnessing report form
- F-CDM-NC = Non conformance, corrective action and clearance form
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings

Spot-check/Unscheduled surveillance

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

Other

- F-CDM-CA = Confidentiality and non-disclosure agreement for personnel taking part in an assessment (CDM-AT member)

Preliminary report

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

Final report

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