

SECOND PROGRESS REPORT OF THE CDM ACCREDITATION PANEL

Tenth and Eleventh Meeting of the accreditation panel

8 – 9 February and 6 – 7 March 2004

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I. INTRODUCTION

1. This second report covers the period 21 November 2003 to 7 March 2004. In this period the accreditation panel held two meetings.

II. ROSTER OF EXPERTS

2. Since the last reporting period, the panel received twelve additional expert applications using the first release of the new electronic application system for the roster of experts.

3. The panel decided to request team leaders to fill an evaluation form (F-CDM-EVAt) for each team member after on-site and a second time at the end of the assessment. Team leaders will be evaluated by CDM-AP members at the same stages.

4. The panel when establishing its teams, continues to take into consideration the issue of capacity building and regional balance in the assessment teams. For 21 applications, the panel included in each team at least one member from Parties not included in Annex I (see annex 1). In five teams, 2 of the three members are from Non Annex I Parties. Seven teams involve at least one non Annex I expert from the African, in 17 teams from the Asia and Pacific and 3 teams from the Latin America and Caribbean Region. However, it is important to note that some experts are involved in several teams. Five teams are lead by a team leader from Non-Annex I. It also agreed to assign to a previous team member from the African region, who had gathered enough experience, the role of a team leader in the case of one application. Some of the Non-Annex I team members could with some further experience become team leaders.

5. With regard to issues related to capacity building and enhancing the number of applications to the CDM-AT roster, the panel would like to note that so far the following provision in the procedure for accreditation has not been implemented due to financial constraints: "In order to strengthen local capacities in Parties not included in Annex I, an additional representative of a national accreditation body relevant to the field and/or a national expert may be invited to join the activities of the CDM-AT as an observer, at his/her cost and bound by the same confidentiality and non-disclosure agreement applicable to CDM-AT members".

III. STATUS OF APPLICATIONS

6. Since the twelve meeting of the Board, three new applications have been received.

7. The geographical distribution of the applications is as follows: Eight are from Asia and Pacific region and 14 from Western Europe and Other region. Two applicants from the Asia and Pacific region are from Non Annex I Parties (Republic of Korea and Malaysia).

8. The panel considered two applications and, based on a draft work plan prepared by an AP member serving as the case leader (the leader is determined on a rotational basis), agreed on particular issues to be covered by the assessment teams. The third application was received too late to be considered prior to the establishment of this report.

9. In the period covered by this report, one applicant entity has passed the desk review and on-site assessment successfully (see next section). For two applicants the panel has made recommendations regarding phased accreditation for validation. For two applicants, the panel identified a team and provided a draft workplan identifying issues for particular attention. Five companies are identifying or addressing corrective actions in accordance with the procedure for accreditation. For more detail on the status of applications please refer to the overview table in annex 2.

IV. INDICATIVE LETTERS AND RECOMMENDATION FOR ACCREDITATION

10. The panel at its eleventh meeting agreed to issue an indicative letter to “E-0009 Bureau Veritas Quality International Holding SA (BVQI)” indicating that it successfully completed desk review and on-site assessment. The chair of the panel will sign this letter on 15 March 2004.

11. The preliminary report for this case will be made available to the Board which in accordance with the procedure for accreditation shall remain confidential. In addition, the Board will be able to consult two reference files for this AE during its next meeting.

12. The panel has agreed to make recommendations for phased accreditation in specified sectoral scope(s) for validation regarding two applicant entities. In accordance with the accreditation procedure, the recommendation and the supporting documentation remain confidential as well as the deliberations of the Executive Board. In accordance with the accreditation procedure, only the decision by the Board will be made public. Therefore the documentation related to the two recommendations is forwarded to the Executive Board separately.

V. OTHER RECOMMENDATIONS

13. In the context of defining new sectoral scope(s) in accordance with the provisions of the accreditation procedure, and considering conditions under which DOEs/AEs could apply for such new sectoral scope(s) and how to keep cost of accreditation as low as possible, the panel decided to make the following recommendation for consideration by the Board:

14. **Recommendation:** “Whenever a new sectoral scope(s) is added to the list of sectoral scope(s), a DOE/AE may apply for a such a new sectoral scope without the need to pay a non-reimbursable application fee within a window of opportunity of [3] months after the date the revised list of sectoral scope(s) is made publicly available and announced through the UNFCCC CDM News facility. Costs other than the non-reimbursable application fee shall be paid for by the DOE/AE in accordance with the procedures and relevant clarifications. In line with the procedure for applying for an additional scope, the assessment by CDM-AP and the CDM-AT shall be designed in a way to minimize costs by taking into consideration, as applicable, those sectoral scope(s) for which the AE is already accredited/designated as well as recent work of the CDM-AP and/or CDM-AT with the same AE (para 66 of the accreditation procedure). If applying after the end of the window of opportunity, the AE/DOE will have to pay the non-reimbursable application fee and the costs in accordance with provisions for applying for an additional scope(s) or for changing an application.”

15. The Board had requested the panel at its twelfth meeting to identify options for revising the terms of reference of the CDM-AP with a view to possibly staggering the terms of panel members. The panel after considering various options, in particular with regard to ensuring continuity between the existing system of members designation and the one that would provide for staggering, suggested to proceed as follows:

(a) The length of term is changed to two years.

(b) Every year, either a group of two or of three members would be replaced whereby experts appointed to replace previous members shall, if possible, not come from the same region as the members that remain in office.

(c) In order to start of the staggering system and to ensure continuity at this stage of the process, the panel proposed that the names of two members of the existing panel could be identified by either voluntary withdrawal and/or by a draw. The remaining three members would be replaced after one year in accordance with the proposed system for staggering.

VI. OTHER OUTPUTS OF THE PANEL

16. The panel agreed to forward to the Board an overview of the key measures so far taken by the Board and the panel which have a direct or indirect impact of reducing the cost of accreditation and/or facilitating the accreditation of smaller entities and/or entities from Parties not included in Annex I. The Board may wish to take note of this document (see annex 3).

17. The panel has released a first version of an online handbook which is aimed at facilitating the work of CDM-ATs. The document will be released before EB 13.

18. The CDM-AP defined two new sectoral scope(s) and revised the list of sectoral scope(s) accordingly. The added scopes are:

- (a) Sectoral scope 14 "Afforestation and reforestation"
- (b) Sectoral scope 15 "Agriculture"

19. Over the reporting period, the panel, in light of the experience with applications process and practical aspects of the accreditation field, provided additional clarifications:

(a) In order to ensure consistency in assessment, the panel agreed to clarify issues around "non-conformities (N/C)": For the purpose of CDM it was agreed that "non-conformities (N/C)" would not be graded (i.e. no major or minor N/C). In the context of CDM, based on the IAF Guidance to ISO Guide 62, the following definition is used: "A non-conformity is the absence of, or the failure to implement and maintain, one or more CDM system requirements for designated operational entities, or a situation which would, on the basis of available objective evidence, raise significant doubt as to the quality of what the organization is supplying".

(b) In order to facilitate decision making for potential applicant entities and to keep the cost of accreditation low, the CDM-AP agreed to publish a table providing indicative levels of fees to be paid by AE to CDM-AT members at steps of the accreditation process (see annex 4). The table has been developed bearing in mind the need to keep the costs of accreditation as low as possible while ensuring high quality of work and commitment of team members. It is noted that the fees indicated apply unless a team leader makes a justified request to the CDM-AP that more time is required and the CDM-AP agrees to such a request.

(c) In order to provide consistency in witnessing, the CDM-AP agreed that a witnessing activity for validation has to include the step of making the PDD publicly available and the consideration of comments received, if any, in accordance with the relevant procedures.

VII. ISSUES UNDER CONSIDERATION

20. This section provides an overview of some key issues under consideration by the panel.

21. With increasing experience, the panel is continuously working on measures on how to further enhance the harmonization of output from CDM assessment teams for the consistency in the assessments. It is working presently on writing guidelines for preliminary and final reports to guide team leaders.

22. Another measure in this context is the preparation of a second version of the handbook to include clarifications on issues such as impartiality and non-conformity.

23. Based on the experience of assessments undertaken, the panel has decided not to issue a revised version of the F-CDM-DOR because it is working on a more comprehensive revision of sections 2 a, 2 a (i) and 2 a (ii). The panel is revising or adding forms as and when necessary e.g. a form has been finalized that facilitates the consistent listing of documents identified as lacking adequacy at the desk review stage and which are to be provided by the AE either prior to or at on-site assessment.

24. The panel, in terms of long term planning, is considering issues which may arise in the context of phased re-accreditation. The panel is also preparing for a revision of the procedure for accreditation in order to reflect phased accreditation by function and sectoral scope(s) as well as other clarifications and guidance by the Board and the panel.

Annex 1

Table: Regional distribution of team members*(in bold character members from Non Annex I Parties)*

Organisation	Leader	Member	Member
0001 JQA	ASP	WEO	AFR
0002 JACO	ASP	ASP	ASP
0003 DNVCert	WEO	ASP	AFR
0004 CHUO	ASP	ASP	WEO
0005 TUV Sued	ASP	WEO	ASP
0006 TECO	ASP	WEO	ASP
0007 JCI	WEO	ASP	ASP
0008 Asahi	ASP	LAC	WEO
0009 BVQI	WEO	WEO	ASP
0010 SGS	ASP	ASP	LAC
0011 KEMCO	WEO	ASP	WEO
0012 PWCC	WEO	ASP	WEO
0013 TUV Rhein.	WEO	WEO	AFR
0014 KPMG	WEO	WEO	AFR
0015 URS	WEO	ASP	WEO
0016 ERM-CVS	WEO	WEO	ASP
0017 Clouston Env.	WEO	ASP	ASP
0018 BSI UK	ASP	WEO	AFR
0019 Nexant	WEO	ASP	LAC
0020 CRA	WEO	WEO	AFR
0021 AENOR	AFR	ASP	WEO
0022 RWTUV	tbd	tbd	tbd

Annex 2

Table: Status of application of AEs

Entity	Completeness check	Initial consideration	CDM-AT	Work plan	Desk review	Add. Docs	On-site assessment	Witnessing activities	Indicative letter	Legend: X=stage completed PX= partly completed N/A= stage not yet reached PR=provided N=not requested D=Drafting P=Planned DC=Dates confirmed RD=Requested Delay WOI= Witnessing opportunities identified by AT WOP=Witnessing opportunities proposed by AE WOIa= WOI identified for <i>all</i> sectoral scope(s) applied for WOPa= WOP identified for <i>all</i> sectoral scope(s) applied for I (date) =Issuing date
E-0001 / JQA	X	X	X	X	X	PR	X	WOI	I(1.12.2003)	
E-0002 / JACO	X	X	X	X	X	PR	N/A	N/A	N/A	
E-0003 / DNVCert	X	X	X	X	X	PR	X	WOI	I(1.12.2003)	
E-0004 / CHUO	X	X	X	X	X	N	N/A	N/A	N/A	
E-0005 / TUEV sued	X	X	X	X	X	PR	X	WOI	I(1.12.2003)	
E-0006 / TECO	X	X	X	X	X	N	X	N/A	I(1.12.2003)	
E-0007 / JCI	X	X	X	X	X	PR	X	N/A	N/A	
E-0008 / Asahi	X	X	X	X	X	PR	X	N/A	N/A	
E-0009 / BVQI	X	X	X	X	X	PR	X	N/A	I(15.3.2004)	
E-0010 / SGS	X	X	X	X	X	PR	X	WOI	N/A	
E-0011 / KEMCO	X	X	X	X	X	PR	P	N/A	N/A	
E-0012 / PWC C	Withdrew application									
E-0013 / TUEV Rhein	X	X	X	X	X	PR	X	N/A	N/A	
E-0014 / KPMG	X	X	X	X	X	N	X	N/A	N/A	
E-0015 / URS	X	X	X	X	X	N	N/A	N/A	N/A	
E-0016 / ERM	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0017 / Clouston	X	X	X	X	X	N/A	N/A	N/A	N/A	
E-0018 / BSI	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0019 / Nexant	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0020 / CRA	X	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
E-0021 / AENOR	X	X	X	N/A	N/A	N/A	N/A	N/A	N/A	
E-0022 / RWTUV	X	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

Annex 3

Overview of key measures by the Executive Board and the panel since December 2001 which facilitate the application for accreditation as DOE for entities from Parties not included in Annex I

On request by the panel¹, the chair of the accreditation panel, with the assistance of the secretariat, prepared this annex which provides an overview of the key actions by the Board and the panel which have a direct or indirect impact of reducing the cost of accreditation and/or facilitate the accreditation of smaller entities and/or entities from Parties not included in Annex I.

The Executive Board is invited to take note of this annex and consider it as appropriate in its deliberations on the need for promoting capacity-building, with a view to obtaining more applications from operational entities, located in non-Annex I Parties.

Measures that have a direct or indirect impact of reducing the cost of and/or facilitate the accreditation of DOEs

- The accreditation process provides for the possibility to be accredited for a sectoral scope(s)
- Phased accreditation by function (validation / verification-certification)
- Grouping of sectoral scope(s) for the purpose of witnessing to reduce the number of witnessing activities
- Applicant operational entities from non-Annex I Parties may have the possibility of paying 50% of the non-reimbursable fee when the entity apply for accreditation, provided that these entities state their inability to pay the full fee at application, bearing in mind the need to meet the standards as contained in para 1 (c) and (d) of Appendix A to the CDM M&P. The remaining 50% of the fee should be paid at a later stage once and if the operational entity is accredited and designated and starts operation.
- Witnessing can be based on at least one full scale and else small-scale activities.
- Witnessing, as general principle, is based on one witnessing activity per group of sectoral scope(s). Only in exceptional cases and if the CDM-AP agrees to a justified request by the CDM-AT, will more than one witnessing activity have to be undertaken.²
- Witnessing for validation is to be based, per default, on documentary evidence without presence of the CDM-AT at the AE's office. If the CDM-AP agrees with a justified request by the CDM-AT, the witnessing may take place at the AE office. The indicative fee to be paid by an AE for a witnessing activity shall remain the same except for the additional costs associated with on-site work.
- Panel takes the approach of defining indicative levels which apply unless a justified request for a higher level is made to which the panel can agree (e.g. see clarification on "indicative levels of fees").

¹ The request was made in the context of the panel's deliberations on its recent clarification on "Indicative level of fees to be paid to CDM AT by AEs" which provides indicative fee levels to be paid for different steps of assessment. The table had been developed bearing in mind the need to keep the costs of accreditation as low as possible while ensuring high quality of work and commitment of team members. The fees indicated apply unless a team leader makes a motivated request to the CDM-AP that more time is required and the CDM-AP agrees to such a request.

² It is noted that in accordance with the accreditation procedure, if not satisfied with the results of a witnessing activity, the CDM-AT or CDM-AP may request additional witnessing activities in the same sectoral scope(s).

Annex 4

Clarification: Indicative level of fees to be paid to CDM AT by AEs

The CDM-AP agreed to publish below table providing indicative levels of fees to be paid by AE to CDM-AT members at steps of the accreditation process. The table has been developed bearing in mind the need to keep the costs of accreditation as low as possible while ensuring high quality of work and commitment of team members.

The table below indicates, for tasks associated to procedural steps and roles of team leader and team members, anticipated standard numbers of work days and total fee payment to team members associated to that particular step(it does not cover costs such as flight tickets, accommodation ... The fees indicated apply unless a team leader makes a justified request to the CDM-AP that more time is required and the CDM-AP agrees to such a request. In such a case the AE would be informed and will have the opportunity to decide whether or not to proceed with the application. Applicant entities (AEs) will have to bear the costs in order to proceed with their accreditation application.

The AEs 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.

Task	Team Leader No. of days	Team Member participating in task No. of days	No. of days times daily fee ⁽¹⁾ = Total Cost US \$
Preparation of desk review report (F-CDM-DOR)	2		*
On-site assessment**	2	2	2,400
Verification of implementation of actions to address non-conformities	1	N/a	400
Per Witnessing activity ***	1.5	1.5	1,200
Preparation of preliminary report (F- CDM-PR) ****	1	0.5	600
Preparation of final report (F-CDM-FR) ****	1	0.5	600

⁽¹⁾ 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.

** The on-site assessment is typically undertaken by three AT members incl. the team leader. The on-site assessment may be combined with witnessing activities, in which case the on-site assessment may be extended to three days.

*** The no. of witnessing activities depend on the number of sectoral scope(s) to be considered in an application (~4-5 if all 14 scope(s) are being assessed. As a default: per witnessing activity only two members of the AT team are typically expected to work including the team leader.

**** The figure represents a single fee to cover all reports prepared for limited scope(s) and phases of accreditation.