

EIGHTH PROGRESS REPORT OF THE CDM ACCREDITATION PANEL (CDM-AP)**Eighteenth Meeting of the CDM-AP****9 – 10 September 2005**

CONTENTS

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction	1	2
II. Roster of Experts.....	2-3	2
III. Status of applications.....	4-6	2
IV. Indicative letters and recommendation for accreditation	7-8	2
V. Other recommendations	9	2
VI. Other outputs of the panel	10	3
VII. Key Issues under consideration	11-14	3

Annexes

1. Regional distribution of team members	4
2. Status of application of AEs	5-6
3. An analysis of competency requirements for DOEs..... for validation/registration and verification/certification functions	7-13

I. Introduction

1. This eighth progress report covers the period from 20 June 2005 to 10 September 2005. During this period the accreditation panel held only one meeting.

II. Roster of Experts

2. During this period three new applications from experts had been received. These new applications will be evaluated and included in the roster, as applicable.

3. The panel when establishing its teams continues to take into consideration the issue of capacity building and regional balance in the assessment teams (ATs). The CDM-AP is also continuously paying attention to means to further enhance the competence of the ATs and take appropriate action as necessary. For regional distribution of team leaders and team members please refer to the table in annex 1.

III. Status of applications

4. Since the twentieth meeting of the Board, **one new application** for accreditation was received, which brings the total number of applications to thirty one (31). It should be noted that three of the 31 applicant entities have withdrawn their applications. It is noted that one company has paid the accreditation fee but not yet submitted its application documentation and hence is not counted as an applicant.

5. The **geographical distribution of the 28 applications** under consideration is as follows: Eleven are from Asia and Pacific region, 14 from Western Europe and Other region, two from Latin America and Caribbean region and one from African region. Three applicants from the Asia and Pacific region, two from Latin America and Caribbean region and one from the African region are from Non-Annex I Parties (Republic of Korea (2), Malaysia, Columbia, Brazil and South Africa). Thus a total of six applications are from Non-Annex I Parties.

6. One AE is **addressing nonconformities** in accordance with the procedure for accreditation. For two entities the dates for the on-site assessment are agreed. For one entity the desk review work is being prepared and two entities are at the initial stage of launch of the ATs. One of the new entities had been requested by the panel to submit revised application documentation. For details on status of all applications please refer to the overview table in annex 2.

IV. Indicative letters and recommendation for accreditation

7. During this period the panel has not issued an indicative letter to any entity.

8. The panel **considered two cases for recommendations regarding phased accreditation for validation and cases for recommendation regarding phased accreditation for verification** and its deliberation on this matter are presented to the Board under strict confidentiality.

V. Other recommendations

9. There are no other recommendations from the panel.

VI. Other outputs of the panel

10. The AP, in response to the request of the EB, at its twentieth meeting, agreed to forward a document to the EB. The panel agreed to submit to the Board a document, “An analysis of competency requirements for DOEs for validation/registration and verification/certification functions” contained in annex 3 to this report.

VII. Key Issues under consideration

11. The AP, in order to incorporate decisions and clarifications by the Board and also clarifications issued by the panel, continues to **revise the “procedures for accrediting operational entities by the Executive Board of the CDM”**. It decided to issue a new version only after a decision has been made regarding the possibility for entities to apply for validation/registration and verification/certification functions solely and accordingly on the number of witnessing required for accreditation. The work by the secretariat on this item has been limited by the lack of resources.

12. The AP is considering the focus and modalities of the re-accreditation process. It is expecting to prepare a first document on this issue at its first meeting in 2006.

13. The AP is considering themes to be discussed at and modalities of the next joint coordinating workshop, such as: re-accreditation, aborting of the assessment, focused session for CDM-AT members, training requirements for new CDM-AT members, DOE/AE focused session, etc. The panel will convey its input to a workshop agenda to the secretariat after its next meeting.

14. To ensure systematic management of the CDM accreditation documents and records, the panel, with the assistance of the secretariat, is developing “**document control and record management procedures**”. This item has been put on hold till more resources are available at the secretariat to carry the document forward.

Annex 1

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

Organisation	Leader	Member	Member
0001 JQA	ASP	WEO	AFR
0002 JACO CDM	ASP	ASP	ASP
0003 DNVCert	ASP	WEO	AFR
0004 CHUO*	ASP	ASP	WEO
0005 TUV Sued	ASP	WEO	ASP
0006 TECO*	ASP	WEO	ASP
0007 JCI	ASP	ASP	ASP
0008 AZSA*	ASP	LAC	WEO
0009 BVQI*	AFR	ASP	WEO
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*	AFR	ASP	LAC
0019 Nexant	WEO	ASP	LAC
0020 CRA	AFR	WEO	ASP
0021 AENOR	AFR	ASP	WEO
0022 RWTUV	AFR	WEO	WEO
0023 LRQA*	AFR	ASP	WEO
0024 ICONTEC	AFR	ASP	LAC
0025 KFQ	AFR	WEO	WEO
0026 TECPAR	AFR	ASP	LAC
0027 SQS	ASP	ASP	WEO
0028 Shin Nihon	ASP	LAC	ASP
0029 PWC, SA	ASP	AFR	LAC
0030 NKK QA	ASP	ASP	WEO
0031**			
0032*** LGAI Tech.			

* The team composition for these cases had changed due to appointment of one of the team leader as the member of the panel. The panel replaced the members with other members from the roster.

** This applicant entity has paid the application fee but not yet submitted the application documentation. Therefore, the panel has not selected a team for the entity.

*** The panel decided that selection of the assessment team for this entity will be agreed electronically.

Annex 2

Table: Status of application of AEs

Entity	Completeness check	Initial consideration	CD M-AT	Work plan	Desk review	Add. Docs	On-site assessment	Witnessing activities	Indicative letter	Phased Accreditation and provisional designation
E-0001 / JQA	X	X	X	X	X	PR	X	WOP	I (1.12.03)	AC (24.03.04) AC (11.05.05)
E-0002 / JACO CDM	X	X	X	X	X	PR	X	WOP	I (4.2.05)	AC (23.2.05)
E-0003 / DNVCert	X	X	X	X	X	PR	X	WOI	I (1.12.03) Ie (4.2.05)	AC (24.03.04) AC (12.06.04) AC (08.06.05)
E-0004 / CHUO	X	X	X	X	X	N	X	NP	I (23.04.05)	
E-0005 / TUEV sued	X	X	X	X	X	PR	X	WOI	I (1.12.03) Ie (4.2.05)	AC (12.06.04) AC (23.2.05)
E-0006 / TECO	X	X	X	X	X	N	X	NP	I (1.12.03)	
E-0007 / JCI	X	X	X	X	X	PR	X	WOI	I (26.7.04)	AC (11.05.05)
E-0008 / AZSA Sustainability Co.	X	X	X	X	X	PR	X	NP	I(13.11.04)	
E-0009 / BVQI	X	X	X	X	X	PR	X	WOI	I (15.3.04)	AC (08.07.05)
E-0010 / SGS	X	X	X	X	X	PR	X	WOI	I (25.5.04) Ie (23.4.05)	AC (12.06.04) AC (23.2.05) AC (08.07.05)
E-0011 / KEMCO	X	X	X	X	X	PR	X	WOI	I (13.11.04)	
E-0013 / TUEV Rhein	X	X	X	X	X	PR	X	WOP	I (25.5.04)	AC (11.05.05)
E-0014 / KPMG	X	X	X	X	X	N	X	WOI	I (4.2.05)	AC (08.07.05)
E-0015 / URS	Application Withdrawn									
E-0016 / ERM	X	X	X	X	D	N	Xnc	NP	N/A	
E-0017 / Clouston*	X	X	X	X	RD	N/A	N/A	N/A	N/A	
E-0018 / BSI	X	X	X	X	X	N	X	NP	I (23.04.05)	
E-0019 / Nexant	Application Withdrawn									
E-0020 / CRA	X	X	X	X	D	PR	DC	N/A	N/A	

Entity	Completeness check	Initial consideration	CD M-AT	Work plan	Desk review	Add. Docs	On-site assessment	Witnessing activities	Indicative letter	Phased Accreditation and provisional designation
E-0021 / AENOR	X	X	X	X	X	PR	X	WOI	I (4.2.05)	AC (11.05.05)
E-0022 / RWTUV	X	X	X	X	X	PR	X	WOI	I (4.2.05)	
E-0023 / LRQA	X	X	X	X	X	PR	X	N/P	I (4.2.05)	
E-0024 / ICONTEC	X	X	X	X	X	PR	X	NP	I (19.06.05)	
E-0025 / KFQ	X	X	X	X	X	PR	X	WOI	I (23.04.05)	
E-0026 / TECPAR	X	X	X	X	D	N/A	N/A	N/A	N/A	
E-0027 / SQS	PX	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
E-0028 / Shin Nihon	X	X	X	X	D	N	P			
E-0029 / PWC, SA	X	X	X	X	X	N	P			
E-0030 / NKK QA	X	X	X	X						
E-0030 /										
E-0030 / LGAI Tech.	X	X								

Note: E-0012 / PWC C, E-0015 URS Corporation and E-0020 Nexant withdrew their applications

** The entity has not submitted adequate documentation at the desk review stage as requested by the panel.*

Legend:

X=stage completed

PX= partly completed

N/A= stage not yet reached

PR=provided

NP=not provided

N=not requested

D=Drafting

P=Planned

DC=Dates confirmed

RD=Requested Delay

WOI= Witnessing opportunities identified by AT

WOP=Witnessing opportunities proposed by AE

WOIa= WOI identified for all sectoral scope(s) applied for

WOPa= WOP identified for all sectoral scope(s) applied for

I (date) =Issuing date

Ie (date)=Issuing date for scope extension

AC (date) = Accredited and provisionally designated

Xnc=AE addresses non conformities

Annex 3
AN ANALYSIS OF COMPETENCY REQUIREMENTS FOR DOES
FOR VALIDATION/REGISTRATION AND VERIFICATION/CERTIFICATION FUNCTIONS

Background:

1. The CDM Executive Board (EB), at its nineteenth meeting, requested the chair of the CDM accreditation panel (CDM-AP) to consult on the feasibility of an entity applying solely for the function of verification/certification, bearing in mind the discussion of the Board, and prepare an input for consideration at EB20. The Chair of the CDM-AP invited the panel to discuss the issue and provide him with input. After its deliberation on the issue, the panel agreed with the Chair to forward a recommendation to the Board.
2. The CDM-AP, in its recommendation, concluded that basic substantive knowledge is similar both for validation/registration and verification/certification functions and recommended for a possibility for entities to apply for validation/registration and verification/certification functions solely. The Board, however, at its twentieth meeting, agreed not to adopt the recommendation as presented and requested the CDM-AP to further elaborate the proposal for consideration by the Board at its twenty-first meeting, including analysis of the skills and competencies required to undertake validation/registration and verification/certification functions, respectively.
3. This document presents an analysis of competence requirements for validation/registration and verification/certification functions by a DOE. Competence pertains to skills, qualifications, experience and knowledge that may be required both at institutional and individual level to perform validation/registration and verification/certification functions related to the CDM project activities. The document outlines key functions and/or criteria to be checked by a DOE related to both validation/registration and verification/certification functions and elaborates specific substantive knowledge and competency requirements.

Key functions to be performed at validation/registration stage:

4. In accordance with the paragraph 27 (a) of the CDM M&P, a DOE shall validate proposed CDM project activities.
5. At the validation/registration stage a DOE shall perform following key functions:
 - a. Check participation requirements, as set out in paragraph 28-30 of the CDM M&P are satisfied;
 - b. Confirm that comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity on how due account was taken of any comments has been received;
 - c. Confirm that Project participants have submitted to the designated operational entity documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party;
 - d. Confirm that the project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM;

- e. Confirm that the baseline and monitoring methodologies comply with relevant requirements; and
- f. Check that the project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, its annexes and relevant decisions by the COP/MOP and the executive board.

Key functions to be performed at verification/certification stage:

- 6. In accordance with the paragraph 27 (b) of the CDM M&P, a DOE shall verify and certify reductions in anthropogenic emissions by sources of greenhouse gases;
- 7. At the verification/certification stage a DOE shall perform following key functions:
 - a. Determine whether the project documentation provided is in accordance with the requirements of the registered project design document and relevant provisions of decision 17/CP.7, its annex and relevant decisions of the COP/MOP;
 - b. Conduct on-site inspections, as appropriate, that may comprise, inter alia, a review of performance records, interviews with project participants and local stakeholders, collection of measurements, observation of established practices and testing of the accuracy of monitoring equipment;
 - c. Review monitoring results and verify that the monitoring methodologies for the estimation of reductions in anthropogenic emissions by sources have been applied correctly and their documentation is complete and transparent;
 - d. Recommend to the project participants appropriate changes to the monitoring methodology for any future crediting period, if necessary;
 - e. Determine the reductions in anthropogenic emissions by sources of greenhouse gases that would not have occurred in the absence of the CDM project activity, based on the data and information, as appropriate, using calculation procedures consistent with those contained in the registered project design document and in the monitoring plan;
 - f. Identify and inform the project participants of any concerns related to the conformity of the actual project activity and its operation with the registered project design document. Project participants shall address the concerns and supply relevant additional information.

General competencies required by a DOE:

8. In addition to competencies required both for validation/registration and verification/certification functions, a DOE shall demonstrate to have general competencies as elaborated in appendix A of the list of sectoral scopes (CDM-ACCR-06). This general competency criteria is elaborated at following two levels:

- a. At the Management level
- b. At the validation verification team level

9. The competencies required at the management level include, assessment of resources required, contract review, training and selection of audit teams and management of the decision-making. Whereas at the team level the competencies are required in the areas, such as, individual audit team member, audit team and external experts that may be required. (For detailed information see appendix A (attached)).

10. Above-mentioned general competency requirements are applicable to all sectoral scopes for both validation/registration and verification/certification functions.

Specific skills and competencies required by a DOE:

11. In addition to general competency requirements, a DOE is expected to possess specific knowledge, skills and competencies related to validation/registration and verification/certification functions. This specific knowledge and competency requirements relate to sector-specific technical aspects of the project activity.

12. Key competency requirements for validation/registration functions are as follows:

- a. Knowledge of regulatory and applicable legal requirements for the CDM as mentioned in decision 17/CP.7 and its annexes;
- b. Knowledge of recent decisions of the CDM-EB, COP and COP/MOP;
- c. Knowledge of approved baseline methodology and aspects related to application of approved baseline methodology(ies);
- d. Knowledge of approved monitoring methodology(ies) and aspects related to application of approved methodology(ies) to the CDM project activity;
- e. Skills and experience required for auditing;
- f. Current technical and operational knowledge of the specific sectoral scope;
- g. Capacity to establish uncertainty of the determination of the reductions in anthropogenic emissions based on the evaluation of the magnitude of various sources of error involved;
- h. Understanding of environmental and social impacts;

13. Key competency requirements for verification/certification functions are as follows:

- a. Knowledge of regulatory and applicable legal requirements for the CDM as mentioned in decision 17/CP.7 and its annexes;
- b. Knowledge of recent decisions of the CDM-EB, COP and COP/MOP;
- c. Knowledge of relevant issues relating to the approved baseline methodology and aspects related to application of approved baseline methodology(ies);
- d. Knowledge of monitoring plan and monitoring methodology applied by the project activity;
- e. Current technical and operational knowledge of the specific sectoral scope;
- f. Skills and experience required for auditing;

- g. Capacity to check whether due calibration of relevant monitoring equipment has been carried out in accordance with documented procedures. It is recommended to establish a traceability chain to international or national measurement standards.

14. A comparison between key competencies required for validation (para 12) and verification (para 13) shows that the only difference in the competencies required for the two functions are reflected in paragraphs 12 (g) and 13 (g).

15. The table below provides an overview of key functions to be carried out by a DOE at the validation/registration and verification/certification stage and competencies required.

Table: An overview of functions at validation/registration and verification/certification stage.

Functions	Check baseline and monitoring methodology	Application of baseline methodology	Application of monitoring methodology	Monitoring plan	Verification of data and results	Procedures
Validation / Registration	✓	✓	✓	✓		✓
Verification / Certification		✓	✓	✓	✓	✓

16. As indicated in the table above, the only differences in functions relate to checking the baseline and monitoring methodology during validation and verification of data and results during verification.

17. The AP considered the differences indicated in paragraphs 14 and 16 to be insignificant, as the required substantive knowledge and skills to perform both functions are similar. Therefore, an entity may be allowed to apply solely for verification/certification functions. In the case of an entity applying for both validation/registration and verification/certification functions it is possible to consider accreditation of such entity for verification/certification functions prior to being accredited for validation/registration functions.

Appendix A

COMPETENCE CRITERIA FOR AN AE/DOE UNDER CDM

A. General

1. An AE/DOE shall demonstrate competence through analysis of the competence required for the CDM activity in the sectoral scopes applied for accreditation at the following two levels:
 - a) At the Management level
 - b) At the Validation and Verification Team level.
2. The Management of the AE/DOE shall have enough knowledge of the typical CDM project including the technical process, baselines, additionality, boundaries, and monitoring requirements relevant to the sectoral scopes in which the AE/DOE is active to enable it to operate an effective system for defining the competence needed to perform validation, verification and certification.

Note: The sectoral scopes referred to above are likely to be further subdivided into technical areas for the analysis of the competence required as the CDM projects within one sectoral scope are likely to vary in technical process, baselines, boundaries, additionality, monitoring requirements, geographical location etc.

B. Competence requirements at management level

3. The management of AE/DOE shall demonstrate that it has performed an initial competence analysis (determination of competence requirements in response to evaluated needs) for each technical area in which it operates. In particular, the management shall be able to demonstrate that the OE/AE has the competence to perform the following activities:
 - c) Identify the major processes and environmental issues associated with each technical area within a sectoral scope
 - d) Identify the requirements relevant to the baseline and monitoring methodologies in each technical area in which it operates
 - e) Define the competence needed in the OE/AE to validate, verify and certify CDM projects in each technical area in which it operates (this includes the competence of its auditors and of those responsible for conducting contract reviews, selecting assessment teams and making validation, certification decisions).

C. Assessment of resources required

4. The management shall:
 - a) Have a system, which ensures up-to-date knowledge of process technology, -methodologies, modalities and procedures, EB decisions and clarifications, and the applicable legal issues relating to the CDM project cycle in the sectoral scope(s) applied for.
 - b) Have a system for assessing the adequacy of competence requirements for each CDM project it wishes to accept a contract within the sectoral scope(s) applied for.
 - c) Be able to demonstrate that it has performed a competence analysis of the requirements of each sectoral scope applied for. In particular, it shall have the competence to complete the following activities:
 - a) Identify the typical CDM aspects like methodologies, baselines, additionality, monitoring, PDD etc. of the areas of activity of the sectoral scope;

- b) Define the competence needed to validate the application of approved baseline and monitoring methodologies including application of new methodologies and verify/certify projects in relation to the sectoral scope, with specific reference to CDM aspects.

D. Contract review

5. The management shall be able to demonstrate that it has the competence to complete the following activities for each of the CDM project activities it validates and verifies:

- (a) Confirm the appropriateness of the sectoral scope of the project;
- (b) Confirm that the typical CDM aspects, arising from the complete range of the project's activities, correspond to those referred to in section 4(c) above,
- (c) Confirm the availability of the required resources under its own control.

E. Training and selection of validation and verification teams

6. The management shall have criteria for the selection and training of validation and verification teams, consistent with the competence requirements for validation and verification team personnel (see section "Competence requirements for validation and verification team personnel"). Such criteria shall ensure the appropriate levels of understanding and knowledge in the following areas:

- (a) The Kyoto protocol and CDM project cycle;
- (b) Technical and operational aspects of a project activity in the sectoral scope applied for to be validated;
- (c) Regulatory requirements relevant to CDM Project cycle;
- (d) Environmental issues relevant to the sectoral scope applied for;
- (e) Environmental management system;
- (f) Management system audit

6 a. The management shall have a procedure for monitoring the performance of the validation and verification team members. The monitoring methods and frequency would be dependent on the type, range and volume of work performed by different personnel.

F. Management of the validation and certification decision process

7. The management function shall have the competence and procedures in place for decision-making regarding the validation, registration as well as verification and certification of CDM project activity.

G. Competence requirements at the validation and verification team personnel level

8. The competence requirements for validation and verification team personnel of AE/DOE are classified into three levels:

- (a) Individual team member,
- (b) Validation and verification team
- (c) External experts that may be required

H. The level of individual team member

9. All members of the validation and verification team should meet similar requirements to those in international standards for auditor competence (e.g. ISO 19011¹), and as may be specified by the Executive Board from time to time. In addition, all members shall, as a minimum, be familiar with the following:

- (a) The Kyoto Protocol and modalities and procedures for the CDM.
- (b) The concepts of management systems in general
- (c) Issues related to various aspects of CDM project activity.

I. The level of the validation and verification team

10. The validation and verification team shall collectively have experience, training and up-to-date knowledge through at least one validation and verification team member taking responsibility within the team for:

- (a) Leading the team and managing the validation and verification process
- (b) Regulatory and applicable legal requirements of the CDM
- (c) Baselines and monitoring methodologies (including GHG inventories)
- (d) Management systems and auditing methods
- (e) Applicable environmental and social impacts and aspects of CDM project activity
- (f) Current technical and operational knowledge of the specific sectoral scope
- (g) Sector specific technologies and their applications.

11. Notwithstanding the above responsibility, some of this expertise may be supplemented from external sources as described below.

J. The level of the external experts

12. The work of the validation and verification team may be supported by input from technical experts with specific knowledge regarding:

- (a) Regulatory and applicable legal requirements of the CDM
- (b) Baselines and monitoring methodologies (including GHG inventories)
- (c) Applicable environmental and social impacts and aspects of CDM project activity
- (d) Current technical and operational knowledge of the specific sectoral scope;
- (e) Sector specific technologies and their applications.

13. Such experts shall not be considered as members of the validation and verification team.

¹ Where international standards for audit competence refer to "environmental science and technology" this shall be understood as "science and technology relevant for the understanding of the Kyoto protocol and CDM and their social and environmental impacts".