

**TWENTY- SEVENTH PROGRESS REPORT  
OF THE  
CDM ACCREDITATION PANEL (CDM-AP)**

**Thirty-Seventh Meeting of the CDM-AP  
08 - 10 October 2008**

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## I. Introduction

1. This twenty-seventh progress report covers the period from 9 September 2008 to 10 October 2008. During this period the accreditation panel (CDM-AP) held one meeting.

## II. Expert Resources

2. The CDM-AP held a detailed discussion on the new additions to the roster of experts, new online facility for evaluation of applicants and some measures to further improve the online facility. The CDM-AP approved new experts to be included in the roster of experts and stressed the need for their induction and training in order for them to act as CDM assessment team (CDM-AT) members. It was agreed that the need for training of CDM-AT members is vital and requested the secretariat to undertake steps to further develop and implement the proposal on training as a priority. It was also agreed that as a short-term measure a workshop for training of CDM-AT members should be organized as well as the secretariat should explore the possibility for participation of new members of the roster in the assessment as observers without cost implications to the entity.

## III. Status of applications

3. The total number of active applications currently under consideration by the CDM-AP is forty-one (41). It may be noted that three (3) applications are withdrawn.

4. In terms of geographical distribution out of the forty-one (41) applications under consideration, highest number of applications are from Asia and Pacific region twenty (20) followed by Western Europe and Other regions eighteen (18). Two (2) applications are from Latin America and Caribbean region and one (1) from the African region. Nine (9) applicants from the Asia and Pacific region, two (2) from Latin America and Caribbean region and one (1) from the African region are from Non-Annex I Parties (Republic of Korea four (4), Malaysia two (2), China four (4), Colombia, Brazil and South Africa). Thus a total of twelve (12) applications are from Non-Annex I Parties and one (1) from an Annex I Party with an economy in transition (Romania).

5. The Executive Board may wish to note that the CDM-AP has issued indicative letters to thirty-two (32) applicant entities. It indicates that these entities have successfully passed through the stage of desk review and on-site assessment and require witnessing activities to complete their accreditation. In these thirty-two entities (32), seventeen (17) entities are already accredited for validation functions and eight (8) for verification functions, covering a wide range of sectoral scopes. There is at least one (1) DOE for each sectoral scope. It also indicates that there are twelve (12) entities which have been issued indicative letters but these entities have not managed to propose required witnessing activities in order to complete their accreditation process.

6. With regard to the status of work of remaining entities, five (5) entities are implementing corrective actions. Five (5) entities are undertaking witnessing activities for validation functions and two (2) for verification functions.

7. The CDM-AP in this meeting considered the progress of the assessment work for eleven (11) DOEs that applied for re-accreditation. Out of these eleven (11) entities, for five (5) DOEs desk reviews and on-site assessments have already been successfully completed, three (3) DOEs are implementing corrective actions after on-site assessments and remaining three (3) are at the stages of desk reviews and coordination of their on-site assessments.

8. In undertaking the review of progress of other entities, the CDM-AP considered the information and assessment by the secretariat on several changes notified by the entities relating to their management

representatives and/or key professional staff. The CDM-AP, in accordance with the procedure, took note of these changes and requested the secretariat for required actions.

#### **IV. Indicative letters and recommendations for accreditation**

9. The CDM-AP considered two (2) cases of phased accreditation in this meeting. One (1) of these cases was related to the re-accreditation whereas the second to the initial accreditation of an entity. The recommendations of the CDM-AP on these two (2) cases have been submitted for the consideration of the Executive Board under confidentiality.

#### **V. Other recommendations**

10. The CDM-AP, following the request of the Executive Board from its forty-second meeting, held a detailed discussion and consideration of the revision of the CDM accreditation procedure. The procedure is being revised in order to include aspects related to the decision of the Board at its forty-second meeting. The Board may wish to note that the CDM-AP due to time constraints could not finalize its consideration of the procedure at this meeting and agreed to continue its consideration of the procedure at its next meeting and submit for the consideration of the Board at its forty-third meeting. The revised accreditation procedure as a work in progress is attached as annex 1 of this progress report.

11. The CDM-AP, in response to the request of the Board, at its forty-second meeting, to analyze the barriers to the new entities and make its recommendations to the Board, agreed to submit a note for the consideration of the Board. The note contains an analysis of barriers to new potential entities to apply for accreditation under the CDM as well as for existing entities to accomplish their accreditation process and start performing validation and verification functions. Some recommendations are also included in the note for the consideration of the Board. The note is contained as annex 2 of this progress report.

#### **VI. Key issues under consideration**

12. Following key issues are under the consideration of the CDM-AP:
- (a) Revision of assessment forms to include improvements based on the Board decisions and clarifications that affect the accreditation criteria;
  - (b) Policy framework for addressing DOEs noncompliance with accreditation requirements in a systematic manner;
  - (c) Preparations for making a call for project design documents to be utilized in assessing the performance of AEs;
  - (d) Development of model studies and projects to be utilized during the on-site assessment in order to assess the competencies of AEs to undertake validation and verification functions in specified sectoral scopes;
  - (e) Modalities of cooperation with Joint Implementation accreditation process are being developed so that both processes can share information and experiences among each other.

#### **VII. Further schedule of the CDM-AP**

13. The Board may wish to note that thirty-eighth meeting of the CDM-AP is scheduled on 11 - 13 November 2008, in Bonn, Germany..

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## Annex 1

**DRAFT - WORK IN PROGRESS****Procedure for accrediting operational Entities by the  
Executive Board of the Clean Development  
Mechanism (CDM)**

(Version 09)

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## Introduction

1. In accordance with the modalities and procedures for a clean development mechanism<sup>1</sup> (CDM M&P)<sup>2</sup>, the Executive Board (CDM-EB) of the clean development mechanism (CDM) shall accredit operational entities which meet the CDM accreditation requirements 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 (hereinafter referred to as “CDM accreditation procedure”) contains the procedure to operationalize the accreditation of operational entities by the CDM-EB which has been elaborated in accordance with paragraph 5 (f) (ii) of the CDM M&P and taking into consideration paragraphs 18 and 25 of the CDM M&P. The CDM-EB may revise this CDM accreditation procedure in the future. The CDM-EB shall inform any applicant entity (AE) and any designated operational entity (DOE) of any such revisions. Any revision shall be immediately made public on the UNFCCC CDM web site. A revised CDM accreditation procedure supersedes any previous version of the procedure. Any revision of the procedure shall become immediately effective or an effective date decided by the CDM-EB.
3. Figure 1 illustrates the scheme for the CDM accreditation procedure. The responsibility of each actor in this scheme is as follows:
  - (a) The **COP/MOP** designates operational entities based on a recommendation by the CDM-EB.
  - (b) The **CDM-EB** takes the decision whether or not to accredit an AE<sup>3</sup> and recommend it to the COP/MOP for its designation.<sup>4</sup>
  - (c) The **CDM accreditation panel (CDM-AP) serve as the technical panel of the Executive Board and make recommendations to the Board on effective implementation of the CDM accreditation process with a view that entities accredited under the CDM are institutionally suitable and competent to perform validation and verification functions. The CDM-AP is responsible for preparing a makes recommendations** to the CDM-EB regarding the accreditation of an AE based on assessment work conducted by a CDM assessment team (CDM-AT). The CDM-AP is also responsible for preparing recommendations regarding **regular surveillance, unscheduled surveillance (spot-checks)**, re-accreditation and accreditation for additional sectoral scope(s). The CDM-AP also provides guidance, approves the work plan of each CDMAT and oversees the entire assessment process of each operational entity.

<sup>1</sup> See Annex D.2 for abbreviations used in this document.

<sup>2</sup> See decision 3/CMP.1 contained in the document (FCCC/KP/CMP/2005/8/Add.1) available on the UNFCCC web site (<http://unfccc.int>).

<sup>3</sup> The terms used in this document are: “Entity” = prior to application; “applicant entity (AE)”= once application has been duly submitted/subject to a procedure contained in this document; “designated operational entity (DOE)”= after designation by COP/MOP. In case where a DOE applies for additional sectoral scopes it is also considered as an AE.

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



- (d) A CDM assessment team (CDM-AT), [following the standards and requirements<sup>5</sup>] under the guidance of the CDM-AP, undertakes the detailed assessment of an AE and/or DOE, identifies non-conformities and reports to the CDM-AP. A CDM-AT shall possess the necessary competencies required to undertake the assessment activity<sup>6</sup>.
- (e) The secretariat supports the implementation of the CDM accreditation procedure.
4. The assessment of an AE shall ensure the compliance of an AE with the CDM accreditation requirements and its competencies to perform validation and verification functions. The assessment consists of ~~four~~ three following main elements:

- (a) Desk review by a CDM-AT of the adequacy of the system for the CDM functions and documentation submitted by an AE meets the ~~against~~ the CDM accreditation requirements;
- (b) On-site assessment on the premises of the AE by a CDM-AT. The purpose of this assessment is to ~~confirm~~ evaluate whether the implementation of the system, competencies and operational capability of the AE of the AE meets in order to ensure that the AE complies with the CDM requirements ~~provided in the documentation provided by the AE~~. The assessment is to provide the assurance that the AE has the capacity to perform the tasks related to the “sectoral scope(s)” of accreditation for which it has applied.
- (c) ~~Witnessing Performance Assessment~~ by the CDM-AT of the performance of tasks by an ~~provisionally~~ applicant entity<sup>7</sup> which relate to the scope and function ~~(or a group of sectoral scope(s))~~ of accreditation for which it has applied. The purpose of a ~~witnessing activity~~ the performance assessment is to assess the effectiveness of the system through an assessment of the exercise of specific ~~whether an AE is implementing its tasks in line with its documented quality policy and~~ validation and verification activities. The assessment includes an evaluation of the process and competencies ~~procedures, including its procedures~~ and substantive decision-making capacity of the AE of the entity for performing validation and verification/certification of CDM project activities within the scope applied for. ~~Witnessing activities shall be required for both functions: validation and verification. At the stage of validation, and, if appropriate, verification and certification, may be undertaken by considering documentary evidence (e.g. a “procedural report”) provided by an AE on how validation or verification/certification has been performed. (See details in section B.4 witnessing activities)~~

5. A DOE shall be subject to regular surveillance. ~~Regular Surveillance~~ The purpose of the regular surveillance is to ensure that the effectiveness of the system is maintained. ~~provides confidence about~~ It includes the assessment of the ongoing adequacy and implementation ~~and~~

<sup>5</sup> Reference to EOS and VVM as standards for accreditation process.

<sup>6</sup> For required competencies of the CDM-AT, see terms of reference of CDM-ATs  
<<https://cdm.unfccc.int/Panels/accreditation/CallForExperts/index.html>>

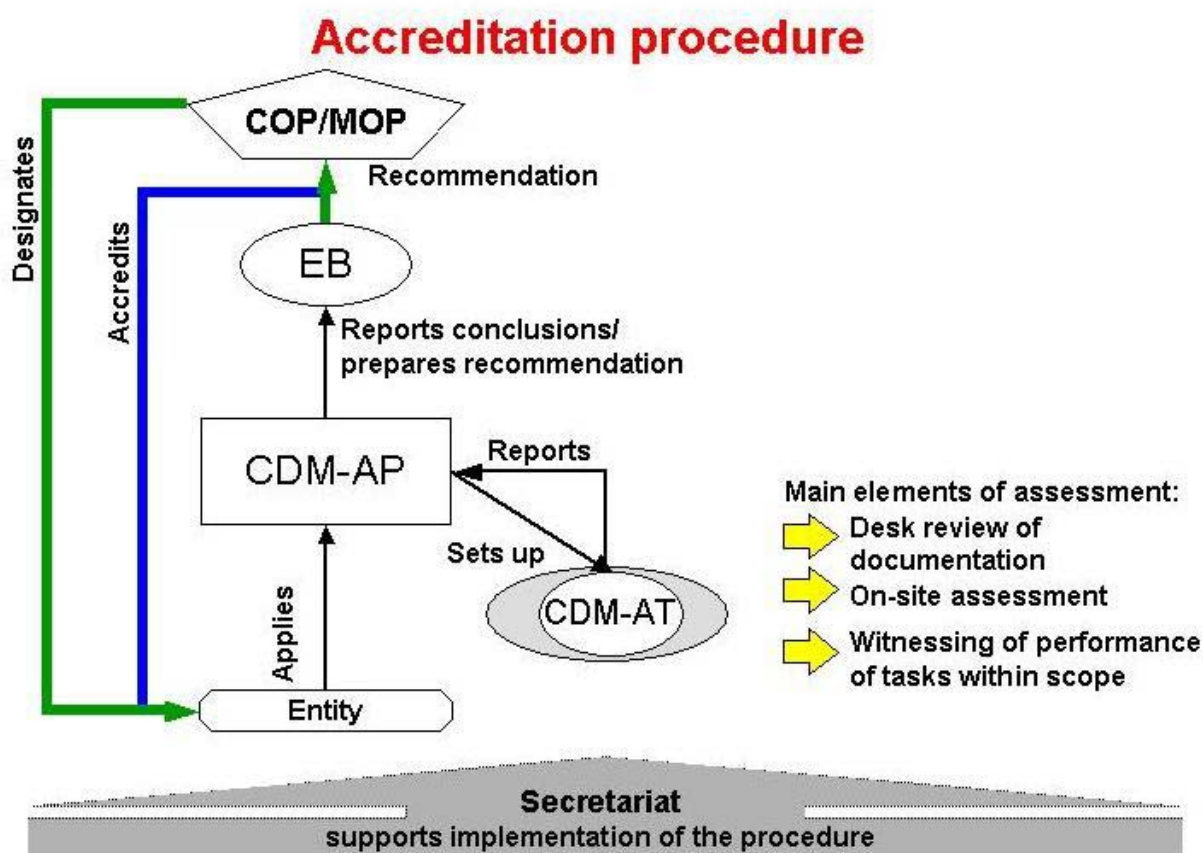
<sup>7</sup> The tasks witnessed shall be carried out on either proposed and/or registered CDM project activities, as applicable.

effectiveness of the entire system through review of actual validation and verification work performed by the entity. The regular surveillance shall be undertaken once in three years of the accredited period of a DOE, including such aspects as the DOE's management responsibilities, resource and organizational management and technical and analytical review processes, sector specific competencies that are essential to conduct validation and verification activities. Further, the regular surveillance intends to assess the effectiveness of the DOE's fully implemented system to deliver the intended quality of its services (See details in section B.5).

5.6. In accordance with paragraph 20 (e) of the CDM M&P, the CDM-EB shall conduct a **unscheduled surveillance** ("spot-check") at any time with a view to assessing whether a DOE still meets the accreditation requirements. A "spot-check" is an unscheduled assessment activity of a DOE decided by the CDM-EB. **The spot-check may include assessment at premises of DOE and/or CDM project activity site and/or off-site desk review assessment.** (See details in section B.6).

7. **An applicant entity may be accredited on the successful completion of desk-review and on-site assessment for the sectoral scopes in which the entity have [demonstrated the competence] for performing validation and verification functions.**

Figure 1







## H.I. Scope of accreditation

### A.1 Definition of scope of accreditation

~~6.8.~~ The scope of accreditation of a DOE shall consist of functions (validation and verification/certification) and sectoral scope(s) of accreditation. The scope with regard to functions specifies the limits to the work of a DOE in validation or verification/certification areas. Whereas a sectoral scope(s) of accreditation sets the limits for work which a DOE may perform under the CDM with regard to validation as well as verification and certification related to identified sector(s) (referred to hereinafter as “sectoral scope(s)”<sup>8</sup>) and determines the requirements it shall meet in addition to those determined in Appendix A to the CDM M&P.

~~An applicant entity may be recommended to the CDM-EB for [provisional] accreditation based on the successful completion of desk review and on-site assessment. The CDM-AP, taking into consideration detailed assessment by the CDM-AT, may recommend [provisional] accreditation not for all sectoral scopes applied by an AE.~~

**9.** An entity may apply to be accredited for at least one “sectoral scope”. A DOE may apply to be accredited for additional “sectoral scope(s)”.

### A.2 Phasing of accreditation

~~7.~~ The accreditation of an operational entity may be undertaken in phases, both in functions and sectoral scope(s) and shall be recommended on the basis of sectoral groups<sup>9</sup>. The phasing of accreditation depends on the successful completion of a witnessing activity for a particular sectoral group and size (large or small) of the project activity. The successful completion of a witnessing activity in one function (e.g. validation) for a group of sectoral scopes (sectoral group) may allow the entity to be eligible for accreditation for the other function (e.g. verification) in the same and concerned sectoral group(s) (for details see Appendix 7 (phasing of accreditation)).

~~8.10.~~ An entity can only be accredited for its both functions, i.e. validation and verification/certification, if a witnessing activity in a sectoral scope has been successfully undertaken, in any of the two functions, on the basis of one large scale project activity. In any event, before being accredited for both functions, the AE shall have successfully concluded the desk review, the on-site assessment and witnessing activities for the recommended sectoral scopes. The full accreditation shall only be granted to an AE once all validation and verification/certification activities have been successfully witnessed in all the sectoral scopes applied by the entity.

~~9.11.~~ An entity may apply to be accredited for at least one “sectoral scope”. A DOE may apply to be accredited for additional “sectoral scope(s)”.

<sup>8</sup> “Sectoral scope(s)” of accreditation are established towards operationalizing the requirements contained in sub-paragraphs 1 (b) and 1 (f) (vi) of Appendix A to the CDM M&P and for providing the potential for wider geographical distribution of designated operational entities. The development of “sectoral scopes” is guided by the sector/source categories contained in Annex A of the Kyoto Protocol. The list of sectoral scopes is available on the UNFCCC CDM web site <http://cdm.unfccc.int/DOE/scopes1st.pdf>. **An AE/DOE may propose new sectoral scopes following the procedural requirement specified in the appendix 2 of this procedure.**

<sup>9</sup> [The CDM-AP has divided the fifteen sectoral scopes into five sectoral groups in order to facilitate the witnessing ——— activities.]



## **III-II. Accreditation, unscheduled surveillance, re-accreditation and notification of changes**

### **B.1. Accreditation**

**10.12.** The accreditation procedure comprises<sup>10</sup> the following main steps:

- (a) The application for accreditation by an entity;
- (b) The completeness check of the application documentation by the secretariat;
- (c) The preliminary consideration of the application file by the CDM-AP;
- (d) The desk review by a CDM-AT of the documentation provided by the AE;
- (e) On-site assessment by the CDM-AT on the premises of the AE;
- (f) The recommendation on accreditation of the CDM-AP to the CDM-EB.**
- (g) The decision by the CDM-EB<sup>11</sup> on accreditation<sup>12</sup> of the AE;**
- (f)(h) A number of performance assessment(s) by the CDM-AT of the performance of tasks by an AE which relate to the scope(s) of accreditation applied for; ~~A number of witnessing activities by the CDM-AT as requested by the CDM-AP, to assess whether the AE can perform validation and verification/certification functions;~~**
- (g)(i) The reporting of the CDM-AT to the CDM-AP;**
- ~~(h) The recommendation on [full accreditation][cancellation of provisional] [confirmation of accreditation] of the AE by the CDM-AP to the CDM-EB;~~
- (i)(j) ~~The decision by the CDM-EB<sup>13</sup> on accreditation and, therefore, r~~Recommendation for designation to the COP/MOP.**

**11.13.** An entity shall submit to the secretariat a duly completed application form (F-CDM-A<sup>14</sup>) and all the documentation specified in the Appendix 1 (application documentations)<sup>15</sup>. Unless otherwise stipulated in the “CDM accreditation procedure”, all information, communications and meetings shall be confidential.

<sup>10</sup> The accreditation procedure shall be implemented using, to the extent possible, teleconferencing and electronic communication facilities.

<sup>11</sup> See footnote 4 above.

<sup>12</sup> **The accreditation is subject to assessment of their performance based on projects selected by the CDM-AP on the basis of criteria approved by the Board.**

<sup>13</sup> See footnote 4 above.

<sup>14</sup> The list of forms is available in the annex “Forms used in the CDM accreditation process”. The application form is available on the UNFCCC CDM web site in the section “Designated operational entities” or can be requested from the secretariat.

<sup>15</sup> The CDM-AP shall only accept the application from a legal entity but not from a section thereof. A person who is formally authorized to represent the legal entity shall submit the application.



**12.14.** The secretariat shall start processing an application upon receipt of the non-reimbursable application fee. As the costs of accreditation are to be borne by the AE (see Appendix 4 (fees and costs)), the related step in the accreditation procedure shall only be implemented once payments are received. The processing of accreditation steps shall be commenced in the order in which the associated fees are received.

**13.15.** The secretariat shall undertake the completeness check of documentations and information submitted against requirements. If the documentation is not found complete, the secretariat shall inform the AE of the missing elements it has identified. Subsequent steps of the accreditation procedure shall only continue once all missing documentation are received by the secretariat.

**14.16.** The AE shall inform the CDM-AP in writing of any change pertaining to the information submitted and/or required for accreditation. Depending on the nature and timing of the changes, there may be a cost associated with the changes indicated by the entity (see Appendix 4 (fees and costs)).

**15.17.** The secretariat shall publish the name of the AE and the sectoral scope(s) applied for by the AE on the UNFCCC CDM web site. Parties, NGOs accredited with UNFCCC or stakeholders shall have fifteen (15) days to provide any comments or information on the AE to the secretariat. The secretariat shall make publicly available the comments received immediately after the end of the fifteen (15) days period. If the AE proposes new sectoral scope(s), this information shall be published in accordance with the procedure in appendix 2.

**16.18.** The secretariat shall prepare an application file and send it to the CDM-AP. The file shall contain:

- (a) All application documentations;
- (b) Secretariat completeness check of application documentation of the AE;
- (c) A list of possible candidates for the CDM-AT<sup>16</sup> (identifying those qualified as team leaders);
- (d) A draft work plan.

**17.19.** The draft work plan shall include any particular issues for the consideration of the CDM-AP.

**18.20.** The CDM-AP, at its next meeting, shall:

- (a) Review the application documentation and, as appropriate, consider and review the particular issues identified for the assessment. The CDM-AP may decide to review the application documentation electronically;
- (b) ~~Determine the total number of required witnessing activities taking into consideration the sectoral scopes applied by the entity as well as particular issues identified in the workplan;~~

<sup>16</sup> 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.



- (c) Instruct the CDM-AT to take into consideration particular issues identified by the CDM-AP for the assessment.

**19.21.** The Chair of the CDM-AP shall appoint the CDM-AT with the assistance of the secretariat. A CDM-AT shall consist of at least three members, among them the team leader. The size of a CDM-AT may vary depending on the size of the AE, the documentation submitted and the “sectoral scope(s)” of accreditation applied for. The members of the CDM-AT shall be selected from the secretariat staff and roster of experts, as available.

**20.22.** The secretariat shall inform the AE of the composition of the CDM-AT and required number of witnessing activities for their application. The AE may object, in writing to the CDM-AP within six (6) days, to member(s) of the CDM-AT identifying an alleged conflict of interest of the CDM-AT member(s).

**21.23.** Each CDM-AT member shall sign the confidentiality and non-disclosure agreement form (F-CDM-CA).

## B. 2 Desk Review

**22.24.** The secretariat shall launch the CDM-AT and establish a communication facility in order to undertake the assessment work.

**23.25.** The secretariat shall provide the CDM-AT with:

- (a) All information related to the application;
- (b) The reviewed and, if necessary, revised draft work plan for the CDM-AT.

**24.26.** The CDM-AT shall undertake the desk review of the documentation provided by the AE and prepare the desk review report (F-CDM-DOR).;

**27. The CDM-AT, through the desk review, shall evaluate adequacy of the system of the AE for the CDM functions and documentation submitted in meeting the CDM accreditation requirements.**

**25.28.** The CDM-AT shall have 25 days from the receipt of the application documentation to prepare the desk review report and send it to the entity including any request for **-missing and/or** additional documentation **and to remedy the non-compliance with CDM requirements** through the secretariat.

~~26. The AE shall be informed of the missing and/or additional documentation. The AE shall send the documentation, required prior to the on-site assessment.~~

29. If the AE does not provide **corrective actions and/or all documentation requested such documentation** within 90 days of request, **the CDM-AT shall finalise the report on the basis of the available information. Significant changes in the documented system may result into the additional costs. the application will be considered dormant and can be re-initiated only on submission of the documentations requested and payment of additional cost of the desk review.**

**28.30.** The team leader, from the date of the receipt of **the corrective actions and** the additional documentation, if requested, shall have twenty (20) days to complete the desk review report (F-CDM-DOR).



~~29.31.~~ The final desk review report shall be made available to the AE through the secretariat. ~~at least fifteen (15) days before the on-site assessment.~~

**32. In the case the desk review does not identify any major non-compliances with the CDM accreditation requirements the CDM-AT shall proceed with an on-site assessment.**

**33. In case the desk review report still identifies major non-compliances with CDM accreditation requirements, the case shall be submitted for the consideration of the CDM-AP.**

**34. Upon consideration of the report, the CDM-AP may:**

**(a) recommend to the CDM-EB the rejection of the application of the entity for accreditation under CDM;**

**(b) instruct the CDM-AT to proceed with an on-site assessment.**

### B.3 On-site assessment

~~30.35.~~ The team leader, taking into consideration the availability of the team members and the AE, shall coordinate the date for the on-site assessment. The on-site assessment shall be undertaken within sixty days of completion of desk review **(as referred in para 31).**

~~31.36.~~ In case the on-site assessment of the AE has not taken place within 60 days due to non-availability of the AE, secretariat shall request the entity for their intention to proceed with their application for accreditation and reasons for delays.

~~32.37.~~ The secretariat shall present the case to the CDM-AP at its next meeting for its decision **and/or considered electronically**. The CDM-AP, taking into consideration the explanation provided by the entity pertaining to paragraph 31 above-, shall take one of the following actions:

- (a) Grant a reasonable extension with a notification to the AE that no further extension shall be granted ;
- (b) Reject the application and request for new application.

~~33.38.~~ The secretariat shall coordinate the on-site assessment.

**39. The purpose of on-site assessment is to evaluate whether the implementation of the system including competencies and operational capability of the AE complies with the CDM requirements.**

**40. The competence of the entity may be evaluated, inter alia, through the entitie's assessment of case studies and projects, and through interviews and questionnaires...**

~~34.41.~~ The on-site assessment shall consist of the following steps<sup>17</sup>:

- (a) An opening meeting, chaired by the CDM-AT team leader, between the accreditation team, the AE's management, managers of the units to be involved in the assessment and the person identified by the AE as the official contact person for the CDM-AT. In this

<sup>17</sup> Forms to be used for the on-site assessment are: F-CDM-OR, F-CDM-NC, F-CDM-MA, F-CDM-MAR.



meeting, the CDM-AT shall explain its assessment activities ~~following-on~~ the **basis of the** provisions contained in the form F-CDM-MA;

- (b) An assessment by the CDM-AT of the operational capability of the AE against the requirements:
- (i) Contained in the CDM M&P<sup>18</sup>;
  - (ii) [Related to the particular “sectoral scope(s)” (contained in the Appendix A to the list of “sectoral scope(s)) for which the AE applied];
  - (iii) [Competency requirements related to validation and verification functions of the DOEs as stipulated in the CDM M&P;]
  - (iv) Relevant decisions and clarifications issued by the CDM-EB and the CDM-AP<sup>19</sup>;
  - (v) [Elaboration of CDM Accreditation Requirements];
  - (vi) [CDM- Validation and verification Manual.]
- (c) **Assessment in respect of case studies and projects etc ( in accordance with para. 40)**
- ~~(e)~~(d) A closing meeting, at the end of the on-site assessment, between the CDM-AT and the AE's management to inform the AE of the details of its assessment, regarding conformity with the CDM accreditation requirements, basis for non-conformities, if any, and any additional comments. The AE shall have the opportunity to seek clarification and ask questions, if any. The CDM-AT leader shall remind the representatives of the AE that, in accordance with the CDM accreditation procedure:
- (i) The AE shall have opportunities to provide comments on the assessment report(s) at later steps as described in the “CDM accreditation procedure”;
  - (ii) The final recommendation to the CDM-EB will be made by the CDM-AP;
  - (iii) The AE may appeal against the recommendation of the CDM-AP.

~~35.42.~~ The CDM-AT, after completion of the on-site assessment, shall have twelve (12) days to prepare the draft on-site assessment report (F-CDM-DOR).

**43. [After receiving the (F-CDM-DOR), the secretariat shall conduct a technical review of the report to insure the assessment is in accordance of the accreditation requirement and refer the report to the CDM-AP in case where accreditation requirements are not reflected in the report.**

**44. Following a report, the CDM-AP shall consider the case and if necessary advise the CDM-AT to amend the report before sending it to the entity.]**

~~36.45.~~ The AE, after the on-site assessment, shall have thirty (30) days to propose corrective actions to resolve non conformities, including timeframes for each action using the non-conformity form (F-CDM-NC), or to withdraw its application.

<sup>18</sup> Contained in Appendix A to the Annex to the decision 3/CMP.1.

<sup>19</sup> For relevant decisions and clarifications please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).



**37.46.** The CDM-AT shall assess the proposed corrective actions in eight (8) days. In case the proposed corrective actions are not accepted by the CDM-AT, the AE shall have (8) days to provide additional information and/or propose other corrective actions. Following additional information, where the corrective actions are still not accepted by the CDM-AT, the case shall be presented to the CDM-AP for decision. The CDM-AP may consider one of the below options:

- (a) Accept the proposed corrective actions by the AE and instruct the CDM-AT to proceed with next steps;
- (b) Reject the proposed corrective actions and determine the time frame for the AE to propose new actions;

**38.47.** If the proposed corrective actions are still not accepted by the CDM-AT within the timeframe determined by the CDM-AP, the case is closed and presented to the CDM-AP for its consideration and decision.

**40.48.** All actions identified and accepted by the CDM-AT shall be completed within 90 days from the date of the on-site assessment. If all corrective actions are not completed within 90 days, the case is presented to the CDM-AP for its consideration for the rejection of the application.

**40.49.** The CDM-AP shall make a recommendation to the CDM-EB on rejection of the application of the AE, at its next meeting.

**41.50.** Once the AE has submitted documentation affirming that it has completed the corrective actions identified, the CDM-AT shall have twelve (12) days to verify the implementation of all the actions to address non-conformities and prepare the draft preliminary assessment report (F-CDM-PR).

**42.51.** In case the implementation of corrective actions are not found satisfactory by the CDM-AT, the AE shall have thirty additional days to implement the corrective actions and submit further documentation.

**43.52.** The preliminary assessment report shall, as a minimum, contain:

- (a) The date(s) of the assessment(s);
- (b) The name(s) of the CDM-AT members, identifying those responsible for the report;
- (c) The name(s) and address(es) of the AE site;
- (d) An assessment of the competence, experience and substantive decision making capacity of the AE in the “sectoral scope(s)” assessed, including the names of key staff encountered and their qualifications, experience and authority;
- (e) An assessment of the adequacy of the internal organization and procedures adopted by the AE ensuring confidence in the quality of its services;
- (f) An assessment of the conformity of the AE 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 AE;
- (g) An assessment of sufficiency and competencies of the AE resources in relation to the expected volume and nature of validation and verification work of the AE;



(h) A description of non-conformities and corrective actions implemented by the AE.

**45.53.** The CDM-AT shall, upon completion, make the ~~draft~~ preliminary report (F-CDM-PR) available to the AE. The AE shall have six (6) days to provide comments on the on-site assessment report and the preliminary assessment report.

**46.54.** The CDM-AT shall have six (6) days to prepare its final assessment report (F-CDM-FR).

**46.55.** The CDM-AT shall submit its final assessment report (F-CDM-FR) to the CDM-AP. The final assessment report shall contain, as a minimum, the following:

- (a) The **on-site assessment report and** preliminary assessment report;
- (b) A description of the actions taken by the AE to correct non-conformities identified in the preliminary assessment report;
- (c) Comments of the AE on the ~~draft final~~ **on-site assessment report and preliminary report** and a description of how they have been addressed by the CDM-AT;
- (d) An ~~overall~~ assessment of the AE of its ability to perform validation and verification functions **for all the sectoral scopes applied by the AE.**
- (e) **An overall evaluation of whether the implementation of the system, competencies and operational capability of the AE complies with the CDM requirements.**

**47.56.** The secretariat shall present the case for the consideration of the CDM-AP at its next meeting.

**48.57.** ~~The CDM-AP shall consider the final assessment report by the CDM-AT and other supporting documentation not later than the next meeting at its next meeting and agree on the recommendation to the CDM-EB. The recommendation from the CDM-AP shall be whether to:~~  
~~The CDM-AP shall decide whether to:~~

- (a) **Grant ~~[provisional]~~ accreditation for all sectoral scopes applied by the AE;**
- (b) **Grant ~~[provisional]~~ accreditation only for sectoral scope(s) for which the AE has demonstrated competencies;**
- (c) **Reject the application for accreditation by the AE based on its inability to demonstrate competencies and/or its non-compliance with other CDM accreditation requirements;**
- (d) **Request further actions from the entity or the assessment team.;**

**58.** ~~The CDM-AP shall inform the AE of its recommendation. The AE shall have six (6) days to appeal against this recommendation or to withdraw its application. An appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 3 (Appeals procedure).~~

~~The confirmation of accreditation status of an AE will be subject to assessment of their performance based on projects selected by the CDM-AP and in accordance with procedures as specified in section B.4 below.~~

**49.59.** ~~The secretariat shall maintain a public list of AEs issued with indicative letters by the CDM-AP.~~  
**Entities granted ~~[provisional]~~ accreditation within specified sectoral scope(s).**





**60.** The secretariat shall also maintain a public list of accreditation status of all entities who applied for accreditation.

~~50.61.~~ The secretariat shall also maintain a public list of dormant entities as referred in the paragraph 27 above.

#### **B.4 ~~Witnessing Activities~~ Performance Assessment**

~~51.62.~~ Performance assessment of an ~~AE~~ entity by the CDM-AT shall be undertaken by assessing the validation and or verification by the entities of project activities .

**63.** The projects and number of projects shall be ~~selected~~ for assessment of each entity ~~from the project activities submitted for registration/issuance~~ by the CDM-AP, based on the following criteria:

- **Whether the entity has previously been assessed in respect of the relevant scope**
- **Number of validations and verifications undertaken;**
- **Sectoral scopes accredited;**
- **Performance of the entity in validation/verification.**

~~DOEs shall be subject to performance-based monitoring and assessment of project activities. These project activities shall be selected from the project activities submitted for registration/issuance by the CDM-AP based on an established criteria.~~

~~52.~~ The AE shall identify witnessing opportunity(ies) by filling in the form for identification of witnessing activities (F-CDM-WOI). Each witnessing activity accepted shall be carried out by a minimum of two suitably qualified members of the CDM-AT. One member of the team shall be a methodology expert. The methodology expert shall be responsible for the assessment of the aspects related to technical and methodological expertise as well as substantive decision-making capabilities of the AE.

~~56.64.~~ The performance assessments for validation functions shall be based on documentary evidence of an AE performing the functions of validation ~~and/or verification and certification~~ relevant to the “sectoral scope(s)” of accreditation. A team leader may request for a **witnessing performance assessment** to be carried out ~~by including the~~ on-site ~~visit to at~~ the AE premises or **at** the project site. Such a request shall require approval from the CDM-AP.

~~54.65.~~ The **performance assessments** ~~witnessing activities~~ for verification functions **shall be based on documentary evidence of an AE performing the functions of verification relevant to the “sectoral scope(s)” of accreditation and** shall ~~be carried out by including~~ a visit to the project site.

~~55.66.~~ The secretariat shall coordinate the visit to the project site.

~~56.67.~~ Each CDM-AT member shall prepare a separate **witnessing assessment** report within eight (8) days from the receipt of the ~~witnessing~~ documentation including the final validation report ~~for validation functions and the final verification report~~ ~~for verification functions,~~ **or the completion of any site visit**



by the CDM assessment team, and submit to the team leader through the secretariat. ~~The team leader shall prepare a consolidated witnessing assessment report<sup>20</sup>.~~

**57.68.** The ~~witnessing~~ **performance assessment** reports shall include an evaluation of the performance of tasks by the AE with regard to the “sectoral scope(s)” applied **in respect of**:

- (a) Its knowledge of requirements for a CDM project activity with regard to the relevant step in the project cycle under the CDM M&P;
- (b) Its technical and methodological expertise ~~Substantive~~ **substantive decision-making** capabilities of the AE.

~~58. The CDM-AT may determine the need for additional witnessing activities for a particular sectoral scope. In this case, it shall prepare a draft revision of its approved work plan and submit it to the CDM-AP for approval. After approval of the draft revised work plan by the CDM-AP, the provisions of the accreditation procedure for identifying witnessing opportunities shall apply.~~

**59.69.** The CDM-AT shall, after each ~~witnessing~~ **performance assessment** activity is completed, ~~based on the witnessing report~~, prepare, within eight (8) days, the ~~draft~~ preliminary report (F-CDM-PR), **consolidating individual assessment reports**. The CDM-AT, in preparation of ~~draft~~ preliminary assessment report may request for additional information/clarifications from the AE. The preliminary report shall contain as a minimum:

- (a) The date(s) of the assessment(s);
- (b) The name(s) of the CDM-AT members, identifying those responsible for the report;
- (c) The name(s) and address(es) of all the relevant AE and/or project sites assessed (~~in case the witnessing includes the on-site visit~~);
- (d) The “sectoral scope(s)” assessed ;
- (e) A summary of assessment report;**
- ~~(e)~~**(f)** An assessment of the competence, experience and substantive decision making capacity of the AE in the “sectoral scope(s)” assessed, including the names of key staff involved and their qualifications, experience and authority;
- ~~(f)~~**(g)** The adequacy of the internal organization and procedures adopted by the AE ensuring confidence in the quality of its services;
- ~~(g)~~**(h)** Description of the validation and/or verification and certification activities witnessed;
- ~~(h)~~**(i)** A description of the conformity of the AE 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 AE;

<sup>20</sup> Forms used in a witnessing activity are: F-CDM-WOI, F-CDM-WRval, F-CDM-WRvc, F-CDM-Wrval-SSC, F-CDM-WRval-AR, F-CDM-NC, F-CDM-MA, F-CDM-MAR, F-CDM-NC, F-CDM-PR, F-CDM-FR **[FORMS TO BE PREPARED AND REVISED]**



- (j) An identification and description of non-conformities with requirements related to the “sectoral scope(s)” of accreditation;
- (k) An over-all assessment of the AE of its ability to perform validation and verification functions.

**(l) Identification of non-conformities,**

**60.70.** The CDM-AT shall, upon completion, make the ~~witnessing~~ **performance assessment** reports and ~~draft~~ preliminary assessment report (F-CDM-PR) -available to the AE.

**71. [Technical review if appropriate]**

**61.72.** The AE shall consider the preliminary report of the CDM-AT and have ~~ten~~ **thirty (130)** days to identify corrective actions to resolve non-conformities, ~~including timeframes for each action~~, or to withdraw its application.

**62.73.** The CDM-AT shall ~~consider~~ **approve** all identified corrective actions within eight (8) days of receipt of proposed corrective actions. In case the identified corrective actions are not accepted by the CDM-AT, the AE shall have another opportunity to provide additional information and/or identify other corrective actions. In case ~~of~~ **corrective actions are** still not accepted by the CDM-AT, the case shall be presented to the CDM-AP for decision.

**74. Upon consideration of the case, the CDM-AP may:**

- (a) Accept the proposed actions by the AE and instruct the CDM-AT to proceed with next steps;
- (b) Reject the proposed actions **and recommend withdrawal of accreditation to the CDM-EB** ~~and determine the timeframe for the AE to propose new actions;~~

~~63. If the proposed corrective actions are still not accepted by the CDM-AT within the timeframe determined by the CDM-AP, the case is closed and presented to the CDM-AP for its consideration and decision.~~

**64.75.** All actions identified **by the entity** and accepted by the CDM-AT **or CDM-AP** shall be completed within ~~90~~ **30** days from the date of the **acceptance of corrective actions** ~~on-site assessment receipt of performance assessment reports.~~

**76. Where completion of implementation of all corrective actions are is not completed-notified within 90-30 days, the accreditation of the entity is [withdrawn/suspended and such withdrawal/suspension shall be notified to the AE and reported to the AP by the secretariat][referred to the AP for its consideration].** ~~case is closed and presented to the CDM-AP~~

**77. Where completion of implementation of corrective actions is notified within 30 days, the CDM-AT shall have twelve (12) days, to verify the implementation of all the actions to address non-conformities and prepare the preliminary assessment report.**

**78. The AE shall have the opportunity to comment within seven (7) days on the final preliminary assessment report.**



79. The CDM-AT shall have five (5) days to prepare the final assessment report (F-CDM-FR). The CDM-AT shall submit its final assessment report (F-CDM-FR) to the CDM-AP. The final report shall contain, as a minimum, the following:

- (a) The preliminary assessment report;
- (b) A description of the actions taken by the AE to correct non-conformities identified in the preliminary report;
- (c) Comments of the AE on the draft preliminary assessment report and a description of how they have been addressed by the CDM-AT;
- (d) An over-all assessment of the effectiveness of the system ;
- (e) An assessment of the exercise of specific validation and verification activities;
- (f) An evaluation of the process and competencies and substantive decision-making capacity of the entity;
- (g) An over-all assessment of the AE of its ability to perform validation and verification functions;
- (h) Conclusions regarding accreditation for consideration by the CDM-AP.

~~for its consideration at its next meeting for the rejection of the application of [provisional] accreditation for the related sectoral scope(s) and/or rejection of the application~~

~~65. The CDM-AP shall make a recommendation to the CDM-EB on withdrawal of [provisional] accreditation status and/or rejection of the application at its next meeting.~~

~~66.80. All actions identified and accepted by the CDM-AT shall be completed within 90 days from the date receipt of the witnessing reports and non-conformity reports. If all corrective actions are not completed within 90 days, the case is closed and presented to the panel for consideration for its rejection.~~

~~67.81. The AE may propose witnessing activities related to other sectoral scopes or function.~~

~~68.82. The CDM-AT shall have twelve (12) working days, from the receipt of corrective actions, to verify the implementation of all the actions to address non-conformities and prepare the final preliminary assessment report.~~

~~69. The AE shall have the opportunity to comment within seven (7) days on the final preliminary assessment report.~~

~~70. The CDM-AT shall have five (5) days to prepare the final assessment report (F-CDM-FR). The CDM-AT shall submit its final assessment report (F-CDM-FR) to the CDM-AP. The final report shall contain, as a minimum, the following:~~

- ~~(a) The preliminary assessment report;~~
- ~~(b) A description of the actions taken by the AE to correct non-conformities identified in the preliminary report;~~



~~(e) Comments of the AE on the draft preliminary assessment report and a description of how they have been addressed by the CDM-AT;~~

~~(e)(i) Conclusions regarding accreditation for consideration by the CDM-AP.~~

**71.83.** The CDM-AP shall consider the final assessment report by the CDM-AT and other supporting documentation at its next meeting ~~and agree on the recommendation to the CDM-EB.~~ The ~~recommendation from the CDM-AP shall may be whether to:~~

- (a) **[recommend] Confirm** ~~Accredit~~ ~~[provisional]~~ **accreditation of** the AE for specified sectoral scope and function; or
- (b) ~~Not~~ **[recommend] Withdraw** ~~[provisional]~~ **accreditation of** the AE for specified sectoral scope and function; ~~or:~~
- (c) **Request further actions from the entity or the assessment team;**
- (d) **[recommend] Suspend the accreditation of the entity.**

**74.84.** The CDM-AP shall inform the AE of its **[decision] [recommendation]**. The AE shall have six (6) days to appeal against this **[decision] [recommendation]** ~~recommendation or to withdraw its application.~~ An appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 3 (Appeals procedure).

**73.85.** The **[decision] [recommendation]** **and supplementary** information submitted by the CDM-AP to the CDM-EB regarding accreditation of an AE shall be considered as confidential. The CDM-AP shall submit to the CDM-EB:

- (a) The final assessment report by the CDM-AT;
- (b) Its considerations and conclusions regarding accreditation;
- (c) Its recommendation as to whether or not to accredit the AE.

**74.86.** The CDM-EB shall consider the recommendation by the CDM-AP in a closed session at its next meeting. The CDM-EB Rules of Procedure regarding availability of documentations prior to its meetings shall apply.

**75.87.** The CDM-EB shall decide whether to:

- (a) Recommend, by accrediting the AE to the COP/MOP for designation<sup>21</sup> as an operational entity specifying the “sectoral scope(s)”; or
- (b) Reject the application and provide an explanation for the rejection.

**76.88.** The CDM-EB shall inform the AE of its decision and make the decision- publicly available in accordance with the Rules of Procedure of the CDM-EB.

**77.89.** **[The accreditation of the operational entity for any “sectoral scope” shall be valid for three (3) years from the date of accreditation by the CDM-EB.]** **[The designation by the COP/MOP shall be valid until the expiry date of the accreditation.]** **-A regular surveillance shall be undertaken within this three-**

<sup>21</sup> See footnote 6



year-period with the provisions contained in section B.5. Unscheduled surveillance (“spot-check”) shall, be undertaken in accordance with the provisions contained in section B.6.

~~79.90.~~ A DOE shall have the opportunity for re-accreditation in accordance with the provisions of section B.7. **(general provision to be placed somewhere)**

## B.5 Regular Surveillance

~~79.91.~~ The purpose of regular surveillance system is to provide confidence about the full implementation and effectiveness of the entire system, including such aspects as the DOE’s management responsibilities, resource and organizational management and technical and analytical review processes, that are essential to conduct and deliver its intended service. Further, the regular surveillance intends to assess the effectiveness of the DOE’s fully implemented system to deliver the intended quality of its services.

~~80.92.~~ The regular surveillance consists of periodic surveillance visits to the accredited office of the DOE and assesses the key areas (as referred in the paragraph 89 (b & c) below) of the operations of the DOE system. The scope of the regular surveillance visits will thus focus on the effective implementation of the DOE’s system, in particular, continual fulfilment with the requirements and commitment of the DOE with the quality assurance and quality control aspects in carrying out validation and verification/certification functions.

~~81.93.~~ Regular surveillance visits shall take place at least once during the three (3) years of the accredited period of the DOE, unless otherwise determined by the CDM-AP.

~~82.94.~~ Regular surveillance visit shall comprise two (2) days of the on-site assessment of the accredited office of the DOE. The team leader, depending on the case, may request to the CDM-AP additional days for the assessment work.

~~83.95.~~ The assessment team may comprise of two members. If possible, the same team leader, who conducted the initial assessment visit, shall undertake the regular surveillance visit. The team leader may request to the CDM-AP for a methodological expert(s) to be included in the team.

~~84.96.~~ Based on the information on the volume and quality of the validation and verification/certification undertaken by the entity in the interim period from the secretariat the CDM-AP shall approve the surveillance visit for the DOE. The secretariat shall include the due cases for regular surveillance visits for the approval of the CDM-AP in the upcoming meeting.

~~85.97.~~ The secretariat coordinate the regular surveillance visit.

~~86.98.~~ On approval by the CDM-AP, the team leader shall prepare a work plan. The work plan shall contain as a minimum:

- (a) A preliminary view of assessment of witnessing documentation;
- (b) Identification of particular issues to be focussed in the assessment;
- (c) Details of assessment activities such as time and plan for opening and closing meetings, interviews with experts and staff of the AE and details of follow-up actions;

~~87.99.~~ The assessment plan shall be shared with the DOE at least ten (10) days before the date of the assessment.



**88.100.** The DOE may wish to combine regular surveillance visit with the extension of a scope(s). In this case the applicable accreditation procedures for the extension of scope(s) shall apply.

**89.101.** The regular surveillance visit shall consist of the following steps:

- (a) An opening meeting between the accreditation team, the DOE's management, managers of the units to be involved in the assessment and the person identified by the DOE as the official contact person for the CDM-AT. In this meeting, the CDM-AT shall explain its assessment activities;
- (b) An assessment by the CDM-AT of the operational capability of the DOE against the requirements:
  - (i) Related to the particular "sectoral scope(s)" (contained in the Appendix A to the list of "sectoral scope(s)) for which the DOE is accredited;
  - (ii) Relevant decisions and clarifications issued by the CDM-EB
- (c) Assessment will focus on the effective implementation of the CDM management system of the DOE, including inter alia:
  - (i) Compliance of their process of decision-making in accordance with the CDM requirements;
  - (ii) Quality of the validation and verification work undertaken by the DOE in this period including the competencies established by the DOE in performing these activities;
  - (iii) Internal audits, management reviews and follow-up actions undertaken by the DOE;
  - (iv) Contract reviews of the project activities;
  - (v) Its technical and methodological expertise with regard to the specific sectoral scope(s);
  - (vi) Changes in the DOEs management system documentation, other than those described in accreditation procedure's "notification on change of status of an AE/DOE, if any
- (d) A closing meeting, at the end of the regular surveillance visit, between the CDM-AT and the DOE's management to inform the DOE of the details of its assessment, regarding conformity with the CDM accreditation requirements, basis for non-conformities, if any, and any additional comments. The DOE shall have the opportunity to seek clarification and ask questions, if any. The team leader shall remind the representatives of the DOE that, in accordance with the CDM accreditation procedure:
  - (i) The DOE shall have opportunities to provide comments on the assessment report(s) at later steps as described in the "CDM accreditation procedure";
  - (ii) The final recommendation to the CDM-EB will be made by the CDM-AP;
  - (iii) The DOE may appeal against the recommendation of the CDM-AP.



**90.102.** The team leader may identify areas found to be not complying with the requirements by raising the non-conformities (F-CDM-NC) and/or observations.

**91.103.** The team leader, after completion of the regular surveillance visit, shall have ten (10) days to prepare the draft assessment report (F-CDM-SUR).

**92.104.** The DOE shall have six (6) days to provide comments on the draft assessment report.

**93.105.** The DOE, after the receipt of the draft assessment report, shall have fifteen (15) days to identify corrective actions to resolve non conformities, using the nonconformity form (F-CDM-NC). All actions identified shall be completed within one (1) month, after receipt of the draft assessment report, and verified. If actions are not completed within one (1) month, the CDM-AT shall finalise the assessment report for the consideration of the CDM-AP.

**94.106.** The team leader shall have ten days to submit the final report to the CDM-AP for its consideration. The CDM-AP shall inform the DOE about the outcome of the surveillance.

**95.107.** The CDM-AP may recommend to the CDM-EB to maintain the accreditation of the DOE;

**96.108.** The CDM-AP, in case the non-conformities are not closed within the deadline, may :

- (a) grant an extension to the deadline for the closure of the non-conformities; or
- (b) recommend to the Board to suspend the DOE.

**97.109.** The costs relating to the regular surveillance visits shall be borne by the DOE in accordance with Appendix 3 (fees and costs) of the accreditation procedure.

#### **B.6 Unscheduled surveillance (“spot-check”)**

**98.110.** The ~~CDM-EB~~ CDM-EB is authorized, in accordance with the CDM M&P to conduct “spot-check” activities (i.e. unscheduled surveillance) of DOEs at any time. The following provisions shall apply.

**99.111.** The consideration by the CDM-EB to conduct a “spot-check” of a DOE may be triggered by, *inter alia*:

- (a) A request for review submitted in accordance with the relevant provisions contained in the CDM M&P with regard to the registration of a project activity or the issuance of CERs;
- (b) Information received on any changes which may significantly affect the quality of operations and performance of the DOE, such as regarding ownership, organizational structure, internal policies and procedures, technical expertise of personnel (in accordance with section B.9);
- (c) A written, substantiated complaint regarding the alleged failure of a DOE to comply with the requirements of its accreditation submitted to the CDM-EB by:
  - (i) Another DOE;
  - (ii) An NGO accredited with UNFCCC;





- (iii) A stakeholder<sup>22</sup>.

**100.112.** Once the CDM-EB has decided to conduct a “spot-check”, the CDM-EB shall agree on the scope of the spot check and inform the CDM-AP. The scope of the spot-check agreed by the Board shall include, inter alia, following:

- (a) Identification of site of the spot-check (premises of DOE and/or CDM project activity site and/or off-site desk review assessment).
- (b) Specific aspects to be focussed in the spot-check assessment. These aspects may include, but not limited to:
  - (i) Quality and operational management of the DOE in relation to its continual suitability for performing validation and verification functions;
  - (ii) Institutional and organisational structure of the DOE, in particular, for providing validation and verification functions in an independent and impartial manner;
  - (iii) Competencies of the DOE to ensure providing all aspects of validation and verification functions in a quality and competent manner.

The CDM-AP shall consider the case and:

- (a) Elaborate the scope of the spot-check for the CDM-AT;
- (b) Establish a CDM-AT;
- (c) Decide on the basis of available information and depending gravity of the case,
  - (i) To recommend to the CDM-EB the suspension, pending the result of the “spot check”, of the accreditation of the DOE and/or;
  - (ii) To send an advance notification of the spot-check to the DOE.
- (d) To agree on the site to conduct spot-check and the duration.

**101.113.** In case of undertaking the spot-check at the CDM project activity site, the CDM-AP, through the secretariat, may:

- (a) Send a notification to the DOE and respective project proponents before the spot-check visit;
- (b) Request the DOE to undertake other necessary arrangements with project participants.

**102.114.** The concerned DOE shall pay the cost of a “spot-check” in accordance with the Appendix 4 (fees and costs). (CDM-AP may recommend to CDM-EB that the cost of the spot check is absorbed by ~~CDM~~-CDM-EB if they decide that the spot check initiation was not justified)

**103.115.** “Spot-checks” shall be carried out as follows:

<sup>22</sup> In accordance with paragraph 1(e) of the CDM M&P, stakeholders means the public, including individuals, groups or communities affected, or likely to be affected, by the proposed clean development mechanism project activity.



- (a) The CDM-AT shall review the DOE documentation provided by the secretariat and prepare an assessment plan taking into consideration the scope of the assessment decided by the CDM-EB and elaborated by the CDM-AP.

**104.116.** (c) The CDM-AT shall undertake the spot-check assessment and prepare reports within five (5) days after the date of the assessment and submit to the CDM-AP. The spot-check report shall contain, as a minimum, the following:

- (i) Spot check assessment report;
- (ii) A description of non-conformities identified;
- (iii) A final assessment report including conclusions regarding accreditation or suspension for consideration by the CDM-AP.

- (a) The CDM-AP shall consider the reports and submit to the CDM-EB its recommendation as to whether to:

- (i) Suspend the accreditation of the DOE for all sectoral scopes the entity is accredited for or for the sectoral scope(s) in question with a time period to undertake and verify corrective actions relating to non-conformities;
- (ii) Withdraw the accreditation of the DOE;
- (iii) Confirm accreditation and designation of the DOE.

**105.117.** In accordance with provisions of paragraph 21 of the CDM M&P,

- (a) The CDM-EB shall decide, based on the recommendation by the CDM-AP, whether to:

- (i) Confirm the accreditation and designation of the DOE
- (ii) Recommend to the COP/MOP to suspend or withdraw the designation of a designated operational entity if it has carried out a review and found that the entity no longer meets the accreditation standards or applicable provisions in decisions of the COP/MOP. The suspension or withdrawal is with immediate effect, on a provisional basis, once the Executive Board has made a recommendation, and remains in effect pending a final decision by the COP/MOP. The affected entity shall be notified, immediately and in writing, once the Executive Board has recommended its suspension or withdrawal. The recommendation by the Executive Board and the decision by the COP/MOP on such a case shall be made public.

- (b) The CDM-EB shall make a decision to recommend the suspension or withdrawal of designation only after the designated operational entity has had the possibility of a hearing.

**106.118.** In case of suspension of the accreditation, the DOE may undertake corrective actions related to non-conformities within the time frame identified by the CDM-EB in its decision.

**107.119.** The implementation of corrective actions shall be verified by the CDM-AT.



~~108.120.~~ The CDM-AP shall consider the reports and submit to the CDM-EB its recommendation whether to:

- (a) Terminate the suspension of the accreditation of the DOE;
- (b) Withdraw the accreditation of the DOE on a provisional basis, pending the final decision by the COP/MOP.

~~109.121.~~ The CDM-EB shall decide, based on the recommendation by the CDM-AP, whether to:

- (a) Terminate the suspension of the accreditation of the DOE;
- (b) Withdraw the accreditation of the DOE on a provisional basis, pending the final decision by the COP/MOP. In accordance with the provisions of paragraph 21 of the CDM M&P, the withdrawal is with immediate effect and remains in effect pending a final decision by the COP/MOP.

~~110.122.~~ The secretariat shall inform the DOE of the decision by the CDM-EB. The secretariat shall update relevant records and publicly available lists, as appropriate.

~~111.123.~~ The CDM-EB, depending on the gravity of the case, may decide the immediate suspension of the accreditation of the DOE for all sectoral scopes the entity is accredited for or for the sectoral scope(s) in question. In this case, the CDM-EB may also decide to make the name of the DOE public before the conduct of the spot-check.

## B.7 Re-accreditation

~~114.124.~~ The ~~DOE-AE~~ shall apply for re-accreditation nine (9) months before the expiry of its accreditation. Failure to apply may lead to withdrawal of accreditation status at the expiry of the accreditation. The DOE shall submit to the secretariat, along with its application of re-accreditation, the documentation listed in appendix 1.

~~113.125.~~ In addition, the DOE shall submit to the secretariat a compiled list of all project activities validated and/or verified in the last accredited period indicating the full status for all project activities.

**126.** The activities to be undertaken by the CDM-AT in the re-accreditation process shall include desk review of documentation, an assessment of work performed during the last accredited period, on-site assessment, ~~and witnessing activity(ies).~~ **In addition, the DOEs shall be subject to performance-based monitoring and assessment of project activities submitted for registration/issuance by the CDM-AP based on the following criteria:**

- o **Whether the entity has previously been assessed in respect of the relevant scope**
- o **Number of validations and verifications undertaken;**
- o **Sectoral scopes accredited;**

- ~~114.~~ o **Performance of the entity in validation/verification based on an established criteria.** ~~The number of witnessing activities shall be determined on the basis of assessment of work performed by the entity in the last accredited period.~~



~~115. In determining the number of witnessing activities, the CDM-AP shall ensure that DOEs continue to comply with CDM accreditation requirements. Furthermore, emphasis shall be on sectoral scopes where the DOE had not performed well in the previous accredited period.~~

~~116.127.~~ The number of witnessing activities shall be determined on the basis of following considerations:

~~a. One sectoral scope from each accredited sectoral group will be chosen. The selection of a specific sectoral scope within an accredited group will be based on the volume of the work performed by the DOE;~~

~~b.a. The sectoral Scopes for which the DOE had requests for review, reviews or rejections will be selected. If an entity had requests for review, reviews or rejections in both functions (validation and verification) for the same sectoral scope, depending on the case, either both functions will be selected, or the most complex function in that scope will be selected if the other function for the scope is already chosen for the first criteria (a).~~

~~117.128.~~ The CDM-AP shall decide the required number of witnessing activity(ies) based on the above criteria. All required witnessing activities shall be completed within the period of one year after the on-site assessment by the entity.

~~118.129.~~ The provisions of section B4 of this procedure regarding the monitoring and the conduct of ~~witnessing activities~~ **performance-based monitoring and assessment** shall apply.

~~119.130.~~ The CDM-AT in undertaking the desk review and an evaluation of work performed by the DOE shall identify the areas to be focussed in the on-site assessment and include in the assessment plan of the entity. The CDM-AT may apply sampling methods taking into consideration the work performed by the DOE and request for any additional information/documentation, if required.

~~120.131.~~ The witnessing activity may be combined with the on-site assessment if such opportunity exists. This re-accreditation process shall be undertaken with a view to the CDM-EB making a decision regarding recommending re-designation, reduction of “sectoral scope(s)”, suspension and withdrawal of a DOE based on the recommendation of the CDM-AP.

~~121.132.~~ A DOE may request re-accreditation at an earlier time to group the re-accreditation or accreditation of several “sectoral scope(s)” into one re-accreditation process.

~~122.133.~~ The provision on timelines for undertaking desk review and on-site assessment and ~~witnessing~~ **performance assessment** activities for the assessment teams and ~~DOE-AE~~ shall apply as specified in sections B2, B3 and B4.

## **B.8 Accreditation for additional “sectoral scope(s)”**

~~123.134.~~ A DOE may submit an application to be accredited for additional “sectoral scope(s)” at any time. The procedural steps for accreditation described in the section B.1 to B.4 shall apply. The Appendix 1 (application documentations) specifies the documentation to be submitted by a DOE requesting additional “sectoral scope(s)”.

~~124.135.~~ The DOE applying to be accredited for additional “sectoral scope(s)” shall have the opportunity to request, at the same time, the re-accreditation for other “sectoral scope(s)” for which it is already accredited. This may enable the DOE to streamline its re-accreditation schedule and reduce costs.



**125.136.** 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 “sectoral scope(s)” for which the AE is already designated as well as recent work of the CDM-AP and/or CDM-AT with the same AE.

**126.137.** The recommendation of the CDM-AP to the CDM-EB, referred to in the procedural steps for accreditation (see section B.1 to B.4.), shall distinguish between accreditation for additional “sectoral scope(s)” and, if applicable, re-accreditation.

### **B.9 Notification on change of status of an AE/DOE**

**127.138.** An AE/DOE shall, three months before its implementation, inform the secretariat, of any planned changes significantly affecting its:

- (a) Legal, commercial or organizational status, e.g. ownership, partnerships;
- (b) Key professional staff;
- (c) Management system;
- (d) Compliance with accreditation requirements.

**128.139.** The changes notified by the AE/DOE shall be considered by the CDM-AP and may require additional work by the CDM-AP and CDM-AT with possible cost implications. (For information on costs see Appendix 4 (fees and costs).

**129.140.** If an entity does not notify the secretariat of changes within the deadline, the entity may be liable to a fine determined by the CDM-EB and/or recommended for the suspension of its accreditation-

**130.141.** Requests for shifting premises to other country(ies) shall be considered by the CDM-AP on a case to case basis. The CDM-AP, taking into consideration the nature of request, may decide to undertake a desk review and/or on-site assessment to determine if the request should be treated as a new application.

Appendix 1**Application documentations**

1. In case of an application for accreditation, the AE shall provide the following documentations/written information in eight (8) copies to the secretariat. Documentations have to be submitted in an official English version as the working language of the CDM-EB is English:

- (a) Documentation on its legal entity status (either a domestic legal entity or an international organization) (*CDM M&P*<sup>23</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 (*CDM M&P*);
- (c) An organizational chart showing lines of authority, responsibility and allocation of functions (*CDM M&P*);
- (d) Its quality assurance policy and procedures (*CDM M&P*), including a procedures manual on how the entity conducts validation as well as verification and certification activities;
- (e) Administrative procedures including document control (*CDM M&P*);
- (f) Its policy and procedures for the recruitment and training of DOE personnel, for ensuring their competence for all necessary validation as well as verification and certification functions, and for monitoring their performance (*CDM M&P*);
- (g) Its procedures for handling complaints, appeals and disputes (*CDM M&P*);
- (h) Particular documents related to “sectoral scope(s)” relevant to its application. If new “sectoral scope(s)” is/are proposed, all relevant information that would permit the determination of such new “sectoral scope(s)”;
- (i) A declaration that the AE has not pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity (*CDM M&P*);
- (j) A statement that operations of the AE are in compliance with applicable national laws;
- (k) 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 (*CDM 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 activity (*CDM M&P*);
  - (ii) A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists (*CDM M&P*);

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<sup>23</sup> Elements in this list that are taken from the CDM M&P are marked accordingly.



- (iii) A demonstration that no conflict of interest exists between its functions as an DOE and any other functions that it may have, and how business is managed to minimize any identified risk to impartiality. The demonstration shall cover all sources of conflict of interest, whether they arise from within the AE or from the activities of related bodies (*CDM 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 (*CDM M&P*).
2. The DOE shall also submit pre-filled desk review and on-site assessment form (F-CDM-DOR) as part of self-assessment of its completion of application documentation.
3. In the case of an application for re-accreditation or additional “sectoral scope(s)”, the DOE shall submit, as applicable:
- (a) Particular documents related to “sectoral scope(s)”;
  - (b) Documents<sup>24</sup> required for accreditation ensuring that all information available to the CDM-EB and the CDM-AP reflects the most up-to-date state of information.

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<sup>24</sup> Regarding provisions for notification on change of status of a DOE see section C.6.



## Appendix 2

### **Procedure to develop the list of “sectoral scopes” of accreditation**

1. In accordance with paragraph 5 (f) (ii) of the CDM M&P, the CDM-EB establishes a list of “sectoral scope(s)” of accreditation defining, for each “sectoral scope”, the requirements to be met in addition to those determined in Appendix A of the CDM M&P. The list will be available electronically on the UNFCCC CDM web site under the section “designated operational entities”.
2. An AE/DOE may propose new “sectoral scope(s)” which it applies for.
3. The entity that wishes to propose new “sectoral scope(s)” shall submit, together with its application, a brief description of each of the proposed “sectoral scope(s)” including the proposed requirements which an entity shall meet in addition to those determined in Appendix A of the CDM M&P.
4. At the meeting at which the CDM-AP considers the application file (see section B.1.), it shall, prior to considering any other part of the application documentation:
  - (a) Consider any “sectoral scope(s)” proposed by the AE;
  - (b) Define, taking into account the possibility of revising existing scope(s), new “sectoral scope(s)”, if applicable.
5. If the CDM-AP defines a new “sectoral scope” without modifications to the proposal made by the AE, it proceeds with the CDM accreditation procedure (see section B.1 to B.4) by considering the application file. The newly defined “sectoral scope(s)” shall be registered in the list of “sectoral scopes”.
6. If the CDM-AP has modified a “sectoral scope” proposed by the AE, the modified “sectoral scope” shall be registered as a new “sectoral scope” in the list of “sectoral scopes” and the list shall be made publicly available. The “CDM accreditation procedure” shall apply with the following modifications:
  - [(a) The CDM-AP shall preliminarily consider the application documentation in accordance with the CDM accreditation procedure and provide a list of the additional requirements and/or documentation to be submitted in function of the new “sectoral scope(s)”.
  - [(b) The AE shall be informed of:
    - [(a) The new “sectoral scope(s)”;
    - [(b) The additional requirements and/or documentation required, if applicable;
    - [(c) The composition of the CDM-AT.
7. In accordance with the accreditation procedure, the AE shall reply in writing within eight (8) days after the date it received the information in accordance with paragraph 16 (b) of the present procedure whether it wishes to proceed with its application for the new “sectoral scope(s)” or withdraw its application.





8. 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 “CDM accreditation procedure”.
9. The secretariat shall publish the name of the AE and the sectoral scope(s) applied for by the AE on the UNFCCC CDM web site. Parties, NGOs accredited with UNFCCC or stakeholders shall have fifteen (15) days to provide any comments or information on the AE to the secretariat. The secretariat shall make publicly available the comments received immediately after the end of the fifteen (15) days period.
10. The DOEs/AEs shall be given an opportunity to apply for a new sectoral scope(s) within 90 days, without paying additional application fees, after the date the revised list of sectoral scope(s) is made publicly available and announced through the UNFCCC CDM News facility. For information on costs see Appendix 4 (fees and costs).
11. The accreditation procedure (see section B.1) shall be implemented thereafter.

### Appendix 3

## **Appeals procedure**

1. After being informed of a recommendation by the CDM-AP to the CDM-EB, an AE/DOE shall have the opportunity to appeal against the recommendation within seven (7) days. Appeals after the seven (7) days deadline shall not be considered.
2. The appeal may only address the qualification of the CDM-AT and/or non-compliance with procedures.
3. The appeal shall be submitted in writing to the designated officer in the secretariat.
4. The designated officer shall immediately inform the CDM-AP and the CDM-EB of the appeal.
5. The designated officer shall submit to the CDM-EB, for consideration at its next meeting, taking into consideration deadlines for the submission of documentations provided for in the CDM-EB Rules of Procedure, a file containing:
  - (a) The appeal submitted by the AE/DOE;
  - (b) The recommendation of the CDM-AP challenged by the entity;
  - (c) A list of five (5) candidates for an appeal panel.
6. The CDM-EB shall establish an appeal panel of three members.
7. The appeal panel shall assess whether the appeal by an AE/DOE relates to a question related to the qualification of the CDM/AT and/or compliance with procedures. Where the appeal panel concludes that a question related to the qualification of the CDM/AT and/or compliance with procedures has not been substantiated, the appeal panel shall make a recommendation to the CDM-EB without undertaking the review of conduct of the assessment activity.



8. Where the appeal panel concludes that a question related to the qualification of the CDM/AT and/or compliance with procedures has been substantiated, the appeal panel shall undertake the review of the conduct of the assessment activity for the purpose of the appeal.
9. The appeal panel shall prepare a report for consideration of the CDM-EB at its next meeting .
10. The CDM-EB shall consider the report from the appeal panel at its next meeting and shall proceed in accordance with the applicable steps of the accreditation procedure.
11. Following the decision of the CDM-EB, the secretariat shall make available a copy report of the appeal panel to the AE/DOE.
12. The cost for conducting an appeals procedure shall be covered in accordance with the provisions in the Appendix 3 (fees and costs).



## Appendix 4

### **Fees and costs**

1. This appendix provides the structure for fees<sup>25</sup> related to the accreditation of DOEs under the CDM. This appendix does not provide the amount of fees but explains the underlying cost structure. The secretariat shall make publicly available on the UNFCCC CDM web site the level of fees and 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 arise from the need to carry out tasks such as organizing and servicing CDM-AP meetings, the desk review of the application (estimate: fee for CDM-AT member for two (2) working days on average) and related administrative procedures. In case the desk review requires more than two (2) working days, the secretariat will include the cost in its quote referred to in paragraph 14 below.

3. Entities from non-Annex I Parties may have the possibility of paying 50% of the non-reimbursable fee when they apply for accreditation, provided that they state their inability to pay the full fee at application, bearing in mind that the need to meet the standards as contained in 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 entity is accredited and designated and starts operation.

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

#### *Reimbursement conditions in case of withdrawal of an application*

5. If an AE decides to withdraw its application, any cost incurred up to this point will not be reimbursed. Only in the case where an entity decides to withdraw its application due to a revision by the CDM-AP of its proposed “sectoral scope(s)” (see appendix 2), a reimbursement of 50 per cent of the non-reimbursable application fee will be made.

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

6. The AE shall pay for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat):

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

7. In addition, the AE shall pay a fee to cover the cost for the work provided by the CDM-AT members<sup>26</sup>. The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and the days of intervention.

<sup>25</sup> For indicative level of fees for different steps of assessment please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).

<sup>26</sup> The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).



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

*Costs associated with ~~witnessing~~ performance assessment*

9. The ~~witnessing~~ performance assessment for validation functions may be undertaken by the AT on the basis of documentary evidence, in which case there will be no travel and accommodation costs for the AE.

10. The AE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM AT members and of the working days related to the intervention.

11. The ~~witnessing~~ performance assessment for validation function, if applicable, and for verification function shall include a project site visit. In such a case, the AE shall pay for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat), as applicable:

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

12. In addition the AE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the AE with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and of the working days related to the intervention.

13. The implementation of ~~a witnessing~~ this activity is depending on the payment in advance of the cost and the fee identified above.

*Costs associated with regular surveillance*

14. The DOE shall pay for the following cost items (dates, schedules and accommodation arrangements to be coordinated by the secretariat):

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

15. In addition, the DOE shall pay a fee to cover the cost for the work provided by the CDM-AT members<sup>27</sup>. The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of CDM-AT members and the days of intervention.

16. The implementation of regular surveillance steps is depending on the payment in advance of the costs and the fee indicated above.

*Costs associated with changes notified by the AE*

<sup>27</sup> The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).



17. The following changes which DOEs/AEs may make, during the accreditation process or once accredited, may have some costs implications:

- (a) Addition or subtraction to the list of sectoral scopes applied for;
- (b) Changes in the legal status of the entity;
- (c) Changes in ownership;
- (d) Substantial changes in documentation.

18. The AEs shall not be charged additional fee for these changes if the AE indicates the change(s) before the CDM-AT members have signed the confidentiality and non-disclosure agreements (F-CDM-CA). The AE shall be charged fees equivalent to two (2) days of standard daily fee for a CDM-AT member, if the change is notified before the coordination of the on-site assessment. The additional fee is to cover additional work by the team leader and additional operational costs. If the change is only notified after the start of the on-site assessment of the entity, the case shall be considered as a new application requiring the payment of the non-reimbursable application fee.

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

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

#### Costs of “spot-checks”

21. The costs for a “spot-check” shall be covered by the DOE concerned. The secretariat will provide the DOE with an itemized quote. The DOE shall pay in advance. If the payment is not received within thirty (30) days of the date of the receipt of the quote, the secretariat informs the CDM-AP and the accreditation/designation of the operational entity is automatically and immediately suspended, on a provisional basis pending a final decision by the COP/MOP.

#### Costs of an appeal

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

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



## Appendix 5

### **Forms used in the CDM accreditation process**

1. The list below indicates the necessary forms by step of the accreditation procedure. Some forms can be used at several steps. The forms are available on the UNFCCC CDM web site and may also be requested from the secretariat. Requirements implicit in the questions contained in the forms shall be considered as prescriptive and as explicit provisions of intents of the generic provisions described in Appendix A to the CDM M&P “Standards for the accreditation of operational entities”. The CDM-AT team shall assume the responsibility for all its reports.

#### **Application for accreditation**

- F-CDM-A = Application for accreditation

#### **Desk review**

- F-CDM-Addoc = Form for identification of additional documentation
- F-CDM-DOR = Desk review and on-site assessment report

#### **On-site assessment of the applicant entity**

- F-CDM-DOR = Desk review and on-site assessment report
- F-CDM-DOR-ReA = Desk review and on-site assessment report for re-accreditation
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings
- F-CDM-NC = Non conformance, corrective action and clearance form

#### **Witnessing [TO BE REVISED]**

- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings
- F-CDM-NC = Non conformance, corrective action and clearance form
- F-CDM-WOI = Witnessing opportunities identification form
- F-CDM-WRval = Witnessing report form – validation
- F-CDM-WRvc = Witnessing report form – verification
- F-CDM-WRval-ssc = Witnessing report form – validation for small scale project activities

#### **“Spot-check”/Unscheduled surveillance**

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

#### **Regular surveillance**

- F-CDM-SUR = Regular surveillance assessment report

#### **Other**

- F-CDM-CA = Confidentiality and non-disclosure agreement for personnel taking part in an assessment (CDM-AT member)
- F-CDM-Evat = CDM assessment team evaluation report
- F-CDM-FPM = Fee agreement for panel members



- F-CDM-W = Workplan for CDM assessment team

**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)

Appendix 6**Abbreviations**

AE	Applicant entity
CDM	Clean development mechanism
“CDM accreditation procedure”	See paragraph 2
“sectoral scope”	See paragraph 6
CDM M&P	Modalities and procedures for the clean development mechanism 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 web site ( <a href="http://unfccc.int/cdm">http://unfccc.int/cdm</a> ) or UNFCCC ( <a href="http://unfccc.int">http://unfccc.int</a> ) web site).
CDM-AP	CDM accreditation panel
CDM-AT	CDM assessment team
COP	Conference of the Parties to the United Nations Framework Convention on Climate Change
COP/MOP	Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DOE	Designated operational entity
EB/CDM-EB	Executive Board of the clean development mechanism
UNFCCC	United Nations Framework Convention on Climate Change



Appendix 7**Phasing of Accreditation**

1. Once an AE is accredited for one function (e.g. verification) for a group of sectoral scopes, the AE will receive accreditation for that same group in the other function (e.g. validation) once it is accredited for this other function in either the same or another group. If the accreditation for the other function (i.e. validation), is for another group of sectoral scopes, the AE is accredited at the same time for the function (verification) in that other group.

*For example: in “Case 1” below, the AE is accredited for verification in group 1 of sectoral scopes with the witnessing opportunity “a” and for validation in group 1 after witnessing opportunity “b”. In “Case 2”, the AE is accredited for verification in group 1 of sectoral scopes with the witnessing opportunity “a” and for validation in the group 2 of sectoral scopes after witnessing opportunity “b”. In that case, the AE will also be accredited for validation in group 1 and verification for group 2. “Case 2a” illustrates a case where the AE is accredited for verification only based witnessing case “a” and “b. Only with witnessing opportunity “c”, the AE provides an opportunity to be accredited for verification. With that accreditation for verification in group 3, the AE is accredited simultaneously for all cases marked “e” in yellow colour.*

2. Once the AE is accredited for both functions, the AE will always be accredited for both functions in the remainder of the group(s) to be witnessed on the basis of a witnessed activity in either validation or verification.

*For example, in “Case 1”, accreditation for validation and verification in group 2 will be based on witnessing opportunity “c”, for group 4 on “d” and so on.*

- (a) All groups applied for have to be witnessed at least once in either of the two functions.
- (b) The approach specified in paragraphs 1 to 2 above does not apply to A/R, where both functions need to be witnessed.

**Examples: Graphical presentation of cases of phasing referred to above:**

***Case 1: witnessing of the other function is proposed in the same group***

Group	1	2	3	4	5	...	-	A/R
VER	a	e	e	d	...	...		Z
VAL	b	e	e	d	...	...		Z

***Case 2: witnessing of the other function is proposed in another group***

Group	1	2	3	4	5	...	-	A/R
VER	a	b	d	e	...	...		Z
VAL	b	b	d	e	...	...		Z

***Case 2a: witnessing of the other function is proposed in another group***

Group	1	2	3	4	5	...	-	A/R



<del>VER</del>	a	d	e	b	---	---	Z
<del>VAL</del>	e	d	e	e	---	---	Z

Legend

~~a,b,c,...~~ Indicates sequence of witnessing activities

~~---~~ Indicates an accreditation based on a witnessing activity indicated

~~---~~ Indicates an accreditation granted simultaneously with the witnessing activity

~~---~~ indicated

~~VER~~ Verification

~~VAL~~ Validation

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**Analysis on Barriers to New  
Applicant Entitie’s (AEs) and Designated Operational Entities (DOEs)**

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## I. Background

1. The CDM Executive Board, at its forty-second meeting, requested the CDM-AP to analyse the barriers to the new entities and make its recommendations to the Board for its consideration at its forty-third meeting.
2. The CDM-AP considered the request from the Board at its thirty-seventh meeting and agreed to submit this note for the consideration of the Board. This note covers barriers to both: new potential entities which may be interested in applying for accreditation under the CDM but might not be coming forward due to some barriers. It may be noted that number of new entities applying for CDM accreditation have been slowing down and against this background it merits to understand if there are any barriers to new entities and spell-out ways to overcome them.
3. Secondly, this note also look into some possible barriers which the CDM accreditation system might be imposing to the existing entities in order to accomplish their accreditation process and operate in the market for undertaking validation and verification functions. This is based on the fact that out of total of forty-one active applications thirty two entities have received indicative letters which indicates that these entities have successfully completed the desk review and on-site assessment stage. But out of these thirty-two entities only seventeen have managed to seek accreditation by completing the requirements for witnessing activities. As a consequence the number of accredited operational entities in the market remained low and a few DOEs have acquired market leadership and managed to capture the major size of the market.

## II. Analysis of Barriers

4. An analysis of the requirement of the CDM accreditation process highlights that in order to apply for the CDM accreditation and function as a DOE a well-established quality management system and sector-specific competencies are imperative. Therefore these robust initial requirements and associated cost with them may be serving as disincentives for the potential entities to come forward and apply for accreditation under the CDM. it may be noted that the CDM accreditation process offers a wide areas of sectors (sectoral scopes) and functions (validation and verification) at a global level to the entities but at the same time necessitates a robust system and competence requirements from the entities. Some of these requirements may be inherent conditions and/or disincentives to some of the new entities. Some key potential barriers considered by the CDM-AP are as follows:
  - (a) Perception of limited business potential for operational entities;
  - (b) Access to competent human resources to fulfil the requirements for performing in all sectoral scopes and both validation and verification functions;
  - (c) Limitations on performing third party assessment services for technological and engineering related firms due to perceived and/or potential conflict of interest situations;
  - (d) Financial costs and timelines associated in seeking CDM accreditation;
  - (e) Assessment stages and requirements to accomplish accreditation;
  - (f) Non-clarity of our procedures and requirements;
  - (g) Lack of information on potential for CDM business in developing countries;
  - (h) Limited actions in dissemination of information about CDM accreditation process and reaching out to potential entities.

5. Whereas barriers to the existing applicant entities to accomplish their accreditation process and start performing validation and verification functions are believed to be inherent within the CDM accreditation process. Some key potential barriers are as follows:

- (a) Assessment stages and requirements to accomplish accreditation;
- (b) timelines associated in seeking CDM accreditation;
- (c) Access to competent human resources to fulfil the requirements for performing in all sectoral scopes and both validation and verification functions;
- (d) Access to project activities for using as witnessing opportunities in order to demonstrate their sector-specific competencies and accomplish their accreditation;

6. In this regard, it may be noted that the CDM-AP has undertaken a considerable effort to streamline the process and expedite it without compromising the quality of the assessment process. The timelines in the accreditation procedure have been cut down and secretariat have been requested to apply the deadlines with applicant entities in a strict manner. In result significant improvements in the timelines have been achieved, however, review of the process indicates that applicant entities take a long time in terms of proposing and implementing corrective actions and submitting other documentation as may be required at different stages of the process.

7. The decision of the Board at its forty-second meeting and consequently latest revision of the procedure is expected to expedite the accreditation process significantly and improve the market conditions by allowing entities to perform validation and verification functions on successful completion of their on-site assessment. It might also provide incentives to new entities to apply for accreditation as the time required for accreditation and its associated cost will diminish.

### **III. Recommendations**

8. The Board may wish to note that in addition to the already undertaken measures, the CDM-AP have agreed to further review the effectiveness of the existing process with the view that the accreditation process should not add to the barriers that are already existing in the market. Furthermore, incentives should be introduced with respect to reducing financial costs of the accreditation, streamlining the process in particular reducing the timelines and stabilising the market conditions by ensuring that a fair number of DOEs are present in the market. In addition to recent decisions of the Board, some further recommendations for the consideration of the Board are as follows:

- (a) Development of further guidance documents and tools for operational as well as applicant entities in order to facilitate them in seeking accreditation;
- (b) Special incentives for smaller entities from developing countries should be introduced. It may be noted that the Board had already facilitated the application through the possibility for entities from developing countries to pay 50 percent of the non-reimbursable application (US\$15,000) at the time of application for accreditation. As indicated by the entities the bulk of the cost for accreditation is not the application fee but the cost associated with system development and to fulfil the competence requirements for performing validation and verification functions;
- (c) The Board may wish to consider to facilitate and/or finance training of human resources of entities from developing countries by the CDM process;
- (d) Establishing partnerships with bodies involved in CDM capacity-building activities. The secretariat have been requested to look into this option and submit proposals for the consideration of the CDM-AP;

- (e) The secretariat should put into place a plan for dissemination of information about CDM accreditation process and undertake activities to reach-out to potential entities and international and regional bodies and forums. The Board may wish to note that it might have some cost implications;
- (f) Providing opportunities to new AEs/DOEs through joint workshops and AE/DOE forums and other opportunities for exposure to the process. It may help in overcoming some of these initial barriers;
- (g) A survey seeking information on barriers from potential entities/bodies;
- (h) Introduce a requirements for the AEs to submit information on their activities relating to seeking accreditation on a quarterly basis.

#### **IV. Conclusion**

9. The Board may wish to consider above recommendations and provide further guidance to the CDM-AP to take appropriate measures.

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