

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

Thirty-Ninth Meeting of the CDM-AP

14 –16 January 2009

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Annex

Annex 1: Draft Revised Accreditation Procedures

I. Introduction

1. This twenty-ninth progress report covers the period from 13 November 2008 to 16 January 2009. During this period the accreditation panel (CDM-AP) held one meeting.

II. Expert Resources

2. The CDM-AP due to time constraints and priority for other policy and procedural issues could not consider this agenda item at this meeting. The CDM-AP agreed to consider this item at its next meeting

III. Status of applications

3. The total number of active applications currently under consideration by the CDM-AP is forty (40). It may be noted that a total of four (4) applications are withdrawn and one (1) have been rejected by the Executive Board.

4. In terms of geographical distribution out of the forty (40) applications under consideration, highest number of applications are from Asia and Pacific region twenty (20) followed by Western Europe and Other regions eighteen (18) and two (2) applications are from Latin America and Caribbean region. Nine (9) applicants from the Asia and Pacific region, two (2) from Latin America and Caribbean region are from Non-Annex I Parties (Republic of Korea four (4), Malaysia two (2), China four (4), Colombia, and Brazil). Thus a total of eleven (11) applications are from Non-Annex I Parties.

5. The Executive Board may wish to note that the CDM-AP has issued indicative letters to thirty-four (34) 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-four (34) entities, eighteen (18) 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 fourteen (14) 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. Six (6) entities are undertaking witnessing activities for validation functions and four (4) 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 seven (7) DOEs desk reviews and on-site assessments have already been completed, remaining DOEs are implementing corrective actions after on-site.

IV. Indicative letters and recommendations for accreditation

8. The CDM-AP considered a case of issuance of indicative letters and after deliberations agreed to issue an indicative letter to the entity “Germanischer Lloyd Certification GmbH (GLC)”. The CDM-AP also considered two cases of phased accreditation in this meeting and after deliberations agreed to seek some further information on one case. The recommendation of the CDM-AP on second case has been submitted for the consideration of the Executive Board under confidentiality.

9. The CDM-AP also considered two cases of entities under spot-check and recommendations on these cases have been submitted for the consideration of the Executive Board under confidentiality.

Furthermore, two (2) cases of regular surveillance of entities were considered and the CDM-AP agreed for further steps in the process.

10. In addition, the CDM-AP two cases of re-accreditation at the stage of successful completion of on-site assessments and two cases of regular surveillance. The CDM-AP took note of the progress and agreed that cases should proceed to next steps as defined in the procedure.

V. Other recommendations

11. The CDM-AP, following the request of the Board at its forty-second meeting has revised the CDM accreditation procedure for the consideration of the Board. The revised procedure is contained as annex 1 of this 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 fortieth meeting of the CDM-AP is scheduled on 25 - 27 February 2009, in Bonn, Germany.

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Annex 1

Procedure for accrediting operational Entities by the Executive Board of the Clean Development Mechanism (CDM)

(Version 09)

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I. Introduction

1. In accordance with the modalities and procedures for a clean development mechanism (CDM M&P)¹, the Executive Board (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 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 EB may revise this CDM accreditation procedure in the future. The EB shall inform all applicant entities (AEs) and designated operational entities (DOEs) of any such revisions. Any revision shall be 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 effective as decided by the EB.
3. The responsibility of each actor involved in the accreditation process is as follows:
 - (a) The **COP/MOP** designates operational entities, or withdraws their designation, based on a recommendation by the EB.
 - (b) The **EB** takes the decision whether or not to accredit an AE² and recommend it to the COP/MOP for designation³, and to fully or partially suspend a DOE, or to withdraw accreditation of a DOE.
 - (c) The **CDM Accreditation Panel (CDM-AP)** serves as the technical panel of the EB in accordance with its terms of reference and makes recommendations to the EB on effective implementation of the CDM accreditation process.
 - (d) A **CDM assessment team (CDM-AT)**, in accordance with the standards and requirements and under the guidance of the CDM-AP, undertakes the assessment of an AE and/or DOE, to identify the level of compliance and reports to the CDM-AP.
 - (e) The **secretariat** supports the implementation of the CDM accreditation procedure.
4. The accreditation (re-accreditation) assessment of an AE/DOE consists of following main elements:

¹ 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>).

² 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.

³ 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.



- (a) **Desk review** by a CDM-AT of the adequacy of the documented system of AE/DOE to meet the CDM requirements and perform CDM functions.
 - (b) **On-site assessment** at the office of the AE/DOE by a CDM-AT to evaluate the implementation of the system, including the competencies and operational capability of the AE/DOE to comply with the CDM requirements.
5. An AE/DOE shall be accredited (re-accredited) on the successful completion of desk review and on-site assessment for the sectoral scopes in which the entity has demonstrated its competence for performing validation and verification/certification functions.
6. A DOE shall be subject to **performance assessment** by the CDM-AT in relation to the scope of its accreditation. The purpose of the performance assessment is to assess the effectiveness of the accredited entity's system through an assessment of specific validation and verification activities.
7. A DOE shall be subject to **regular on-site surveillance**. The purpose of the regular on-site surveillance is to ensure that the effectiveness of the DOE's system is maintained over the accredited period. The regular on-site surveillance at the office of the DOE shall be undertaken at least once in three (3) years of the accredited period of a DOE as decided by the CDM.
8. In accordance with paragraph 20 (e) of the CDM M&P, the EB may trigger "spot-checks" to be conducted at any time with a view to assessing whether a DOE still meets the accreditation requirements. The spot-check may include assessment at the office of the DOE and/or assessment at the CDM project activity site and/or off-site desk review assessment.

II. Scope of accreditation

A.1 Scope of accreditation

9. The scope of accreditation shall consist of sectoral scopes as applied by the entity and in which the entity has demonstrated its competence for performing validation and verification/certification functions. An accredited entity shall be allowed to carry out validation and verification functions in specified sectoral scope(s).
10. An entity may apply to be accredited for any number of sectoral scopes.

III. Accreditation Process

B.1. Accreditation

11. The accreditation process comprises the following main steps:
 - (a) An application for accreditation by an entity;
 - (b) A completeness check of the application documentation by the secretariat;
 - (c) Consideration of the application file by the CDM-AP;
 - (d) A desk review by a CDM-AT of the documentation provided by the AE;
 - (e) On-site assessment by the CDM-AT at the office of the AE;



- (f) A recommendation on accreditation or rejection of application by the CDM-AP to the EB;
 - (g) A decision by the EB on accreditation or rejection of application of the AE;
 - (h) Recommendation for designation to the COP/MOP by EB.
12. An entity shall submit to the secretariat a duly completed application form and all the documentation specified in the Appendix 1 (Application documentation).
13. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee.
14. The secretariat shall undertake a completeness check of the documentation and information submitted against the requirements for documentation. If the documentation is found incomplete, the secretariat shall inform the AE about the missing elements it has identified. Subsequent steps of the accreditation procedure shall only continue once all missing documentation has been received by the secretariat.
15. 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 and stakeholders shall have fifteen (15) days to provide any comments and information in respect of the AE to the secretariat through the web interface.
16. The secretariat shall prepare an application file and send it to the CDM-AP along with the comments and/or information received from the stakeholders.
17. The CDM-AP, at its next meeting, shall review the application documentation, comments and information and, as appropriate, consider the particular issues identified for the assessment by preparing a Work Plan. The CDM-AP may agree to consider a case electronically.
18. The CDM-AP Chair shall appoint a CDM-AT in consultation with the CDM-AP and with the assistance of the secretariat. The CDM-AT shall consist of at least two members, including a team leader. The size of the CDM-AT may vary depending on the size and CDM operations of the AE/DOE, 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.
19. The secretariat shall inform the AE of the composition of the CDM-AT. The AE may object, in writing to the CDM-AP within six (6) days, to member(s) of the CDM-AT identifying any conflict of interest of the CDM-AT member(s).
20. Receiving no objection from the AE, each CDM-AT member shall sign a confidentiality and non-disclosure agreement.
21. The secretariat shall introduce the CDM-AT by establishing a communication facility in order to undertake the assessment work.
22. The secretariat shall provide the CDM-AT with:
- (a) All information related to the application;
 - (b) The Work Plan for the CDM-AT.



B.2 Desk Review

23. The CDM-AT shall undertake the desk review of the documentation provided by the AE/DOE and prepare the draft desk review report within twenty (20) days after receiving the application documentation from the secretariat and shall send the desk review report to the entity through the secretariat.
24. If the documents are found adequate, the CDM-AT shall proceed for the on-site assessment.
25. If the CDM-AT has identified any non-conformity(ies) against the requirements, AE/DOE shall provide additional or amended documentation to address the identified non-conformities within ninety (90) days (fourteen (14) days for re-accreditation) of the receipt of the desk review report⁴.
26. The CDM-AT shall prepare the desk review report on the basis of additional and amended documentation received within ten (10) days of the receipt of additional and amended documents.
27. The desk review report shall conclude whether the AE/DOE documented system is in conformity with the documented quality system accreditation requirements for undertaking validation and/or verification functions.
28. If conformity of the documented system is confirmed, the CDM-AT shall proceed with the on-site assessment.
29. If conformity has not been confirmed, or if no documents have been received from the entity within ninety (90) days of the draft desk review report, the CDM-AT shall finalise the desk review report indicating the missing elements, and/or the non conformities, and providing its final conclusion and recommendation to the CDM-AP. The secretariat shall seek comments on the final desk review report from the entity within six (6) days and submit the report to the CDM-AP for its decision at its next meeting.
30. The CDM-AP, after considering the reports from the CDM-AT, shall decide whether to:
- (a) reject the application;
 - (b) refer the application to the CDM-AT for further review on the basis of existing or new information.
 - (c) undertake any other appropriate action based on the reports.

B.3 On-site assessment

31. The CDM-AT leader, taking into consideration the availability of the team members and the AE/DOE, shall coordinate the date for the on-site assessment. The on-site assessment shall be undertaken within sixty (60) days (thirty (30) days for re-accreditation) from the date of receipt of the desk review report by the AE/DOE.
32. If the AE/DOE is not available for the on-site assessment within sixty (60) days (thirty (30) days for re-accreditation), the secretariat shall reconfirm the entity's interest in proceeding with their

⁴ If the changes in documents are considered significant by the team, the team will request approval from CDM-AP for additional time for desk review. Any additional cost for such additional time will be borne by the AE.



application and seek justification in writing for the delays. The secretariat shall present the case to the CDM-AP at its next meeting for its decision.

33. The on-site assessment shall be conducted by the CDM-AT in compliance with the CDM on-site assessment procedure.
34. After completion of the on-site assessment, the CDM-AT shall have twelve (12) days to prepare the on-site assessment report .
35. The secretariat shall send the on-site assessment report to the AE/DOE.
36. The AE/DOE, from the date of receiving the on-site assessment report, shall have thirty (30) days to propose corrective actions to resolve the non-conformities identified.
37. The CDM-AT shall assess the proposed corrective action plan within eight (8) days. If the CDM-AT does not accept the proposed corrective actions, the AE/DOE shall have additional fifteen (15) days to propose further corrective actions. If the revised proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted, the case shall be presented to the CDM-AP for its decision at its next meeting.
38. All accepted corrective actions accepted by the CDM-AT shall be completed within ninety (90) days from the date of the acceptance of proposed corrective actions by the CDM-AT.
39. Once the AE/DOE has submitted documentation demonstrating that it has implemented the approved corrective actions, the CDM-AT shall have twelve (12) days to verify the implementation of all the corrective actions to address non-conformities, close the non-conformities and complete the final assessment report.
40. In case the non-conformities have not been adequately addressed through implementation of the corrective actions as assessed by the CDM AT, the AE/DOE shall have thirty (30) additional days to pursue implementation the corrective actions. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, CDM-AT shall complete the final assessment report.
41. The CDM-AT shall make the final assessment report and NC forms available to the AE/DOE through secretariat. The AE/DOE shall have six (6) days to provide comments on the final assessment report.
42. The CDM-AT shall have five (5) days to complete the final assessment report taking into consideration the comments provided by the AE/DOE.
43. The secretariat shall submit the final assessment report to the CDM-AP for a decision at its next meeting.
44. CDM-AP shall consider the reports and decide to:
 - (a) recommend to the EB for:
 - (i) accreditation for all the sectoral scopes applied for by the AE;
 - (ii) accreditation only for partial sectoral scopes;
 - (iii) rejection of the application for accreditation;



- (b) seek additional corrective actions from the AE/DOE;
 - (c) undertake any other appropriate action based on the reports.
45. The CDM-AP shall inform the AE/DOE of its decision through the secretariat. The AE/DOE shall have six (6) days to appeal against any recommendation of the CDM AP. The appeal shall be addressed to the EB in accordance with the provisions contained in Appendix 3 (Appeals procedure).
46. The EB shall consider the recommendation of the CDM-AP and decide to:
- (a) accredit for all the sectoral scopes applied for by the AE/DOE;
 - (b) accredit the AE/DOE only for partial sectoral scopes;
 - (c) reject the application for accreditation;
47. The accredited (re-accredited) entity shall be subject to performance assessment.
48. The secretariat shall maintain a public list of entities accredited within specified sectoral scope(s).
49. The initial accreditation shall be valid for three (3) years from the date of accreditation decision by the EB.

B.4 Performance Assessment

50. After the completion of the accreditation process of an AE, now a DOE, the CDM-AP shall decide on the number of activities to be assessed as part of the performance assessment. The number of activities selected shall be based on the number of scopes for which the DOE is accredited, number of project activities the entity has validated/verified and performance of the DOE based on significance of issues raised by the EB review process. The CDM-AP may decide to increase number of activities to be selected for performance assessment as considered necessary.
51. The secretariat shall select activities for performance assessments following the recommendation of the CDM-AP from the project activities submitted with requests for registration, or when the monitoring reports are made public before the start of the verification activity.
52. The secretariat shall inform the DOE of the project activity selected for performance assessment for validation and/or verification and of the composition of the CDM-AT (leader and methodology expert. The secretariat shall also include the methodology expert in the official communication channel established for the DOE and CDM-AT.)
53. The DOE may object, in writing to the CDM-AP within five (5) days, to a member(s) of the CDM-AT based on any conflict of interest.
54. The DOE shall forward the relevant documents in accordance with the table in Appendix 6 within three (3) days of receipt of the information from the secretariat on the activity selected for the performance assessment.
55. The performance assessment of the validation functions shall be based on documentary evidence.
56. The performance assessment of the verification functions shall be based on the observation of the verification assessment carried out by the DOE's team at the project site and evaluating conformity of the DOE's draft verification report.



57. For the performance assessment of verification activity, the DOE shall inform the secretariat of the proposed dates of verification and provide the relevant set of documents. The DOE and the team leader shall co-ordinate the visit of CDM-AT to the project site with the support of the secretariat.
58. The DOE shall forward to the CDM-AT the draft verification report, duly reviewed internally for its completeness and adequacy, including the Corrective Action Requests (CARs), Clarification Requests (CLRs) and/or Forward Action Requests (FARs) within fifteen (15) days of the site visit.
59. The CDM-AT shall complete the performance assessment for validation/verification functions within fourteen (14) days of receiving all relevant documents, including any additional documents which have been requested by the CDM-AT. The CDM-AT shall prepare the performance assessment report and the non-conformities report, as necessary, and forward the same to the entity through the secretariat.
60. The entity shall propose corrective actions, within fifteen (15) days of the receipt of the report and non-conformities report.
61. The CDM-AT shall review the proposed corrective actions and communicate its acceptance or non-acceptance to the DOE within six (6) days. If the proposed corrective actions are not accepted, the DOE shall have another eight (8) days to propose additional corrective actions.
62. The DOE shall implement the proposed corrective actions accepted by the CDM-AT and provide evidences to the CDM-AT of the implementation of corrective actions within thirty (30) days of the acceptance of corrective actions.
63. The CDM-AT shall evaluate implementation of the corrective actions. If the non-conformities have been addressed, the CDM-AT shall prepare the final assessment report, close the non-conformities and forward the same to the DOE through the secretariat within six (6) days of the receipt of the evidences of the corrective actions.
64. If the implementation is not satisfactory, the secretariat shall inform the DOE and it shall have another fifteen (15) days to demonstrate conformity. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, CDM-AT shall complete the final assessment report
65. The CDM-AT shall make the final assessment report and NC reports available to the DOE through secretariat. The DOE shall have six (6) days to provide comments on the final assessment report.
66. The CDM-AT shall have five (5) days to complete the final assessment report taking into consideration the comments provided by the DOE.
67. The secretariat shall submit the final assessment report to the CDM-AP for a decision at its next meeting.
68. The CDM-AP based on the final assessment report and the comments received from the DOE shall:
- (a) inform the EB of the successful outcome of performance assessment;
 - (b) decide to undertake additional performance assessment(s);
 - (c) recommend to the EB to suspend the accreditation for limited sectoral scopes and/or functions;



- (d) recommend to the EB to suspend the accreditation for all scopes and functions; or
- (e) undertake any other appropriate action based on the reports.

B.5 Regular On-site Surveillance

69. The regular on-site surveillance assessment shall be conducted at least once during the three (3) years of the accredited period of the DOE.
70. The regular on-site surveillance assessment shall take place at the office of the DOE. The assessment shall be for a minimum of two (2) days, unless otherwise decided by the CDM-AP.
71. The CDM-AT for the regular on-site surveillance assessment shall normally be made of two members. The CDM-AT shall be nominated by the Chair of the CDM-AP in consultation with the CDM-AP and with the assistance of the secretariat. (With the leader being the same person, if possible, who carried out the initial assessment. The team leader will be supported by one team member with technical and methodological expertise.)
72. The secretariat shall prepare a work plan based on the performance and validation/verification undertaken by the DOE under the guidance of the CDM-AP.
73. The team leader shall coordinate, schedule the on-site assessment and forward the assessment plan to the DOE at least ten (10) days prior to the surveillance assessment. The secretariat shall support in coordinating the assessment and logistics.
74. The CDM-AT, after completion of the regular surveillance assessment, shall have ten (10) days to prepare the surveillance assessment report.
75. The DOE shall have fifteen (15) days to propose corrective actions to resolve the identified non-conformities from the receipt of the on site assessment report.
76. The CDM-AT shall assess the proposed corrective actions within six (6) days. In case the proposed corrective actions are not accepted by the CDM-AT, the DOE shall have another seven (7) days to propose further corrective actions. If the proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted within fifteen (15) days, the case shall be presented to the CDM-AP for decision during its next meeting.
77. All proposed corrective actions identified and accepted by the CDM-AT shall be completed within thirty (30) days from the date of acceptance of the corrective actions.
78. Once the DOE has submitted documentation demonstrating that it has implemented the corrective actions identified, the CDM-AT shall have ten (10) days to verify the implementation of all the corrective actions to address the non-conformities, close the non-conformities and prepare the final assessment report.
79. If the implementation is not satisfactory, the DOE shall have additional fifteen (15) days to pursue implementation of the corrective actions and submit further evidences. If the implementation of corrective actions is still not found satisfactory, or no confirmation of the implementation of corrective actions is received, the CDM-AT shall complete the final assessment report .



80. The CDM-AT shall make the final assessment report and non-conformities reports available to the DOE through secretariat. The DOE shall have six (6) days to provide comments on the final assessment report.
81. The CDM-AT shall have five (5) days to complete the final assessment report taking into consideration the comments provided by the DOE.
82. The secretariat shall submit the final assessment report to the CDM-AP for a decision at its next meeting.
83. The CDM-AP may recommend to the EB to maintain the accreditation of the DOE;
84. 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. Any extension should be fully justified by the CDM-AP; or
 - (b) recommend to the Board to suspend the DOE.
85. The costs relating to the regular on-site surveillance assessment shall be borne by the DOE in accordance with Appendix 4 (Fees and costs) of the accreditation procedure.

B.6 Spot-check

86. The EB can, in accordance with the CDM M&P, request a spot-check to be conducted at any time.
87. The consideration by the EB to conduct a spot-check of a DOE may be triggered by, *inter alia*:
- (a) A request for review for a project activity submitted in accordance with the relevant provisions 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 competency and performance of the DOE, such as changes in ownership, organizational structure, internal policies and procedures, resources and personnel
 - (c) A written, formal complaint regarding the alleged failure of the DOE to comply with the requirements of its accreditation submitted to the EB by:
 - (i) Another DOE;
 - (ii) An NGO accredited with UNFCCC;
 - (iii) A stakeholder⁵.
88. Once the EB has decided on a spot-check, it shall agree on the scope of the spot check and inform the CDM-AP. The scope of the spot-check shall include the following:

⁵ 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) Identification of the type and the site of the spot-check (on-site assessment at the office of the DOE and/or assessment at the CDM project activity site and/or off-site desk review assessment).
- (b) Specific aspects to be focussed on during the spot-check assessment, such as:
- (i) Quality and operational management of the DOE in relation to its competence 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 perform all aspects of validation and verification functions.
 - (iv) Any other area identified as relevant to ensure competency and conformity of the DOE.
89. The name of the entity under spot check shall be made public as part of the EB meeting report.
90. The CDM-AP shall consider the case, elaborate the scope of the spot-check and establish a CDM-AT.
91. If the spot-check is to be conducted at the CDM project activity site, the CDM-AP, through the secretariat, shall:
- (a) send a notification to the DOE and respective project proponents before the spot-check;
 - (b) Request the DOE to coordinate necessary arrangements with project participants.
92. The DOE shall cover all the costs related to the spot-check in accordance with the Appendix 4 (Fees and costs).
93. The CDM-AT shall review the documentation provided by the DOE and prepare an assessment plan taking into consideration the scope of the spot-check.
- (a) The CDM-AT, after completion of the spot-check, shall have five (5) days to prepare the spot-check report, including non-conformities report, if necessary and final assessment report.
94. The DOE shall have six (6) days to provide comments on the reports..
95. The CDM-AP based on the reports and the comments received from the DOE shall recommend to the EB for:
- (a) confirmation of accreditation and designation of the DOE;
 - (b) partial suspension of accreditation with corrective actions to be implemented before suspension is lifted;
 - (c) full suspension of accreditation with corrective actions to be implemented before suspension is lifted;
 - (d) withdrawal of the accreditation of the DOE.



96. The recommendation of the CDM-AP to the EB shall be forwarded to the DOE through the secretariat. The DOE shall have an opportunity for a hearing to present their case to the EB.

97. The EB shall consider the recommendation made by the CDM-AP and the additional documented evidence presented by the DOE at the hearing. In accordance with provisions of paragraph 21 of the CDM M&P and the decision of CMP4, the EB shall decide to

- (a) Confirm the accreditation and designation of the DOE;
- (b) Partially suspend accreditation, in respect of specific scopes or functions, indicating corrective actions to be implemented before suspension is lifted;
- (c) Fully suspend accreditation, indicating corrective actions to be implemented before suspension is lifted; or
- (d) Withdraw accreditation of the DOE.
- (e) Advise any other action

In case of suspension, the DOE shall undertake corrective actions within the time-frame identified by the EB.

98. After receiving confirmation from the DOE that all the corrective actions have been implemented the CDM-AT shall verify their implementation. Verification of implementation shall take place through an on-site assessment at the office of the DOE, an assessment at the project site or through a document review as appropriate .

99. The CDM-AT, after verification of the implementation of the corrective actions, shall have three (3) days to prepare the final assessment report, including non-conformities report, if necessary.

100. The CDM-AP shall consider the report of CDM-AT and submit to the EB its recommendation whether to:

- (a) Revoke the suspension of accreditation of the DOE;
- (b) Revoke the suspension of accreditation of the DOE and request additional performance assessments or follow-up assessments to be performed to ensure that corrective actions implemented by the DOE have addressed all non-conformities identified;
- (c) Withdraw the accreditation of the DOE.

101. If the corrective actions have not been implemented within the specified time-frame, the CDM-AP shall recommend to the EB to withdraw the accreditation.

102. The recommendation of the CDM-AP shall be forwarded to the DOE. If the recommendation is to withdraw accreditation, the DOE shall have an opportunity for a hearing at the EB meeting.

103. The EB shall decide, based on the recommendation of the CDM-AP and the presentation of the DOE, whether to:

- (a) Revoke the suspension of accreditation of the DOE;



- (b) Revoke the suspension of accreditation of the DOE and request additional performance assessments or follow-up assessment to be performed ;
- (c) 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 shall be with immediate effect and shall remain in effect pending a final decision by the COP/MOP.

104. The secretariat shall inform the DOE of the decision of the EB. The secretariat shall update relevant records and public listings, as appropriate.

105. The CDM-AP shall undertake further actions as per the decision of the EB.

B.7 Re-accreditation

106. The DOE shall apply for re-accreditation nine (9) months before the expiry of its accreditation.

107. The DOE shall submit to the secretariat, along with its application for re-accreditation, the documentation listed in Appendix 1. The DOE may apply for additional or removal sectoral scopes of their accreditation.

108. The activities to be undertaken by the CDM-AT during the re-accreditation process shall include desk review of documentation and on-site assessment.

109. The performance assessment of project activities selected by the CDM-AP shall continue after re-accreditation.

110. The provisions and timelines of sections B.2, B.3 and B.4 of this procedure regarding the desk review, on-site assessment and performance assessment shall apply.

111. Re-accreditation shall be valid for three (3) years from the date of expiry of the previous accreditation.

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

112. A DOE may apply to be accredited for additional sectoral scopes at any time. The procedural steps for accreditation described in the section B.1 to B.4 shall apply. The DOE shall submit to the secretariat, along with its application, the documentation listed in Appendix 1.

113. The accreditation for additional sectoral scopes shall be valid only till the expiry of its existing accreditation.

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

114. An AE/DOE shall inform the secretariat, at least three (3) months before its implementation, of any planned change that significantly affects its:

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



115. 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.

116. If a DOE does not notify the secretariat of changes within the deadline, the CDM-AP shall notify the EB for its decision on triggering a spot-check.

117. A request for moving an accredited office to another physical location shall be considered by the CDM-AP and may require additional work by the CDM-AP and CDM-AT with possible cost implications.

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 EB is English:

- (a) Documentation on its legal entity status (either a domestic legal entity or an international organization) (*CDM M&P*⁶);
- (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*);

⁶ 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 application of additional “sectoral scope(s)”, the DOE shall submit, as applicable particular documents related to “sectoral scope(s)” and other system documents that have been amended.
- 4. In case of re-accreditation,
 - (a) Documents⁷ required for accreditation ensuring that all information available to the EB and the CDM-AP reflects the most up-to-date state of information.
 - (b) List of project activities completed and in process.

⁷ 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 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:
 - (i) The new “sectoral scope(s)”;
 - (ii) The additional requirements and/or documentation required, if applicable;
 - (iii) 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 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 EB of the appeal.
5. The designated officer shall submit to the EB, for consideration at its next meeting, taking into consideration deadlines for the submission of documentations provided for in the 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 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 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 EB at its next meeting .
10. The 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 EB, the secretariat shall made 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 fees⁸ 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.

⁸ For indicative level of fees for different steps of assessment please refer to the UNFCCC CDM web site (<http://unfccc.int/cdm>).



7. In addition, the AE shall pay a fee to cover the cost for the work provided by the CDM-AT members⁹. 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.

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 performance assessment

9. The 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 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 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 members¹⁰. 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.

⁹ The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).

¹⁰ The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).



Costs associated with changes notified by the AE

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-DR = Desk review report

On-site assessment of the applicant entity

- F-CDM-OR = On-site assessment report
- F-CDM-OR-ReA = 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

Performance assessment

- 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-PAval = Performance assessment report form – validation
- F-CDM-PAvc = Performance assessment report form – verification
- F-CDM-PAval-ssc = Performance assessment report form – validation for small scale project activities
- F-CDM-PAval-a&r = Performance assessment report form – validation for afforestation and reforestation.

“Spot-check”

- F-CDM-SC = Spot-check 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-W = Workplan for CDM assessment team



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Final report

- F-CDM-FR = Final report (includes, as attachment, F-CDM-PR)
- F-CDM-Frcomments = Comments by DOE on Final report

Appendix 6**List of documents to be provided by DOE for performance assessment**

Description	Validation function	Verification function
PDD	√	√
Date of making PDD publicly available	√	-----
Date of making monitoring report publicly available	-----	√
Contract review documents	√	√
Conflict of interest analysis	√	√
Team competence justification with evidence	√	√
Monitoring report with working spread sheet	-----	√
Working spread sheet (XL sheet)	-----	√
Assessment plan	-----	√
Report of the DOE's team that visited the project site	√	-----
Draft validation/ verification report for internal technical review	√	√*
Corrective Action Requests (CAR's) Clarification Requests (CLR's) and Forward Action Requests (FAR's)		
Comments of the internal technical reviewer on the draft validation report by the DOE's team	√	-----
Final validation report	√	-----
Any other documents requested by the CDM-AT	√	√
Note1: The mark * means that these documents shall be submitted after the assessment on site.		

