

**Annex 2****TÜV SÜD INDUSTRIE SERVICE GMBH  
MODALITIES OF THE SUSPENSION**

1. The Board, taking into consideration the recommendation of the CDM-AP, the response of the designated operational entity (DOE) including proposed corrective actions, an oral presentation at a hearing and the outcome of an appeal panel assessment<sup>1</sup>, decided to recommend to CMP to suspend the accreditation and designation of the designated operational entity "TÜV SÜD Industrie Service GmbH" (TÜV SÜD) with immediate effect.
2. The decision of the Board was based on two outstanding issues identified in the course of the performance assessment:
  - (a) While reviewing projects to check the implementation of CAs, the CDM-AT had noted a number of projects that were withdrawn by the DOE. After investigation, the CDM-AT concluded that for some of these projects, a positive validation opinion was given even though the DOE had concerns about additionality. The corrective actions implemented by the DOE were not satisfactory. The Board agreed with the CDM-AP that this cast doubt on the ability of the DOE to deliver a sound opinion that was not influenced by undue pressure;
  - (b) The qualification criteria implemented by TÜV SÜD were still not satisfactory. The Board agreed that three (3) months working experience in a technical area within a sectoral scope did not ensure confidence in the competence of the DOE personnel to undertake CDM related work as per the CDM accreditation standard (paragraph 57(a) and (b)).
3. The Board agreed that TÜV SÜD could continue to process existing activities in relation to requests for registration and issuance which have been submitted to the Board prior to this suspension. TÜV SÜD may therefore:
  - (a) Respond to issues related to completeness checks of requests for registration and issuance, requests for revision of monitoring plan, and notifications/requests for approval of changes from PDD;
  - (b) Respond to issues raised in reviews and requests for reviews of requests for registration and issuance;
  - (c) Submit documentation requested by the Board as part of the outcome of a previous request for review or review;

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<sup>1</sup> The Board took note of the appeal panel report and its outcome. The Board noted that the appeal panel has concluded that the questions raised in the appeal were not substantiated. The Board also noted that by undertaking a review and providing associated recommendations, the Appeal Panel had gone beyond its mandate as specified in paragraph 7 and 8 of appendix 3 of the accreditation procedure.



- (d) Respond to clarification requests raised in requests for deviation at issuance, requests for revision of monitoring plan, and notifications/requests for approval of changes from PDD.
4. Until the termination of the suspension, TÜV SÜD may continue to undertake activities related to validation and verification under existing contracts, with the exception of the following:
- (a) Upload PDDs for public comments as part of the validation process;
  - (b) Upload monitoring reports as part of the verification process;
  - (c) Submit new requests for registration for CDM project activities;
  - (d) Submit new requests for issuance of certified emission reductions;
  - (e) Submit new requests for renewal of crediting periods;
  - (f) Submit new requests for revision of monitoring plan;
  - (g) Submit new request for deviation; and
  - (h) Submit new notifications/requests for approval of changes from the PDD.
5. The Board further agreed that the DOE shall undertake a full root cause analysis to identify adequate corrective actions to address the remaining areas of concern of the Board and ensure that independent and good quality validation/verification work is delivered to the Board.
6. The Board also agreed that the DOE shall undertake corrective actions within a period of six (6) months to revoke the suspension. On the request of the DOE the CDM-AP shall undertake a further on-site assessment to verify the implementation of the corrective actions.
7. The Board further agreed to withdraw the accreditation status of the DOE if implementation of CAs is not adequate or not completed within the six (6) month period.

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