

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

**Forty-Seventh Meeting of the CDM-AP**

**01 – 03 March 2010**

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Annex I: Draft guidelines on the Annual Reporting by DOEs.

## **I. Introduction**

1. This report of the forty-seventh meeting of the CDM accreditation panel (CDM-AP) covers the period from 21 January 2010 to 3 March 2010.

## **II. Status of applications**

2. The total number of entities currently under consideration by the CDM-AP is thirty nine (39), including twenty six (26) accredited entities and thirteen (13) non-accredited applicant entities. A total of nine (9) entities have withdrawn their applications, accreditation of one (1) entity has expired and three (3) applications have been rejected by the Executive Board.

3. In terms of geographical distribution, out of the thirty nine (39) entities currently under consideration, the highest number of entities, twenty two (22), are from the Asia and Pacific region, followed by fifteen (15) from the Western Europe and Other regions. One (1) entity is from Africa and one (1) from Latin America and the Caribbean region.

4. A total of fourteen (14) entities are from Non-Annex I Parties, including twelve (12) entities from the Asia and Pacific region, one (1) from India and one (1) from Latin America and the Caribbean. With respect to individual countries, four (4) entities are from Republic of Korea, one (1) from Malaysia, five (5) from China, two (2) from India, one (1) from Colombia and one (1) from South Africa.

## **III. Update on work of the CDM-AP**

5. The CDM-AP invited the Chair of the DOE Coordination Forum to attend part of its meeting where he, on behalf of the forum, presented the concerns and offered some proposals regarding the on-going work related to the revision of the accreditation standard. The CDM-AP took note of the concerns and requested the chair of the forum to provide a consolidated written input on the issues raised. The CDM-AP agreed to explore possibilities for similar direct interactions at future meetings.

6. The CDM-AP continued its deliberations on the revision of the CDM Accreditation Standard, taking into consideration guidance provided by the CMP and the Board, as well as inputs provided by the DOE Forum. The work of the CDM-AP focused on the following main areas:

- (a) Competence requirements, including definition of technical areas;
- (b) Measures to safeguard impartiality;
- (c) Allocation of CDM functions to non-central sites.

7. The CDM-AP will continue its work with a view to presenting a draft revision of the Standard to the Board for its adoption at a future meeting. The CDM-AP also agreed to explore the possibility of organizing a workshop with the DOEs on issue of competence requirements and definition of technical areas, preferably in conjunction with the Joint Coordination Workshop.

8. The CDM-AP considered a progress update by the secretariat on the implementation of the policy framework to monitor the performance of DOEs, including an analysis that was undertaken of the current performance of DOEs against the agreed subcategories and weights, in order to identify appropriate thresholds. The CDM-AP welcomed the work already done and provided further suggestions on particular details regarding implementation. The CDM-AP agreed to regularly review the progress on the implementation and to discuss the use of the results obtained through this monitoring in its entity assessment work.

9. The CDM-AP considered requests of the CMP related to the provision of information by DOEs, contained in paragraphs 20 and 48 (b) of the decision 2/CMP.5. To address the requests of the CMP, the

guidelines on annual reporting by DOEs were revised by the CDM-AP and are hereby submitted to the Board for its adoption. The draft revised guidelines are contained in Annex 1 to this report.

10. The CDM-AP considered a presentation of the secretariat on the on-going work to develop a procedure for excess issuance of CERs in line with the request of the Board. The CDM-AP agreed to consider a draft procedure in this regard at its next meeting.

11. The CDM-AP continued the information and experience sharing process with the Joint Implementation accreditation panel, aimed at exploring ways for further collaboration on common issues.

#### **IV. Case specific issues and recommendations for accreditation of entities**

12. The CDM-AP considered six (6) applications for initial accreditation, one (1) application for an extension of accreditation scope and three (3) applications for re-accreditation. Recommendations on four (4) cases will be submitted for consideration by the Board under confidentiality.

13. The CDM-AP considered one (1) spot-check case. A recommendation on the outcome of the case will be submitted for consideration by the Board under confidentiality.

#### **V. Expert Resources**

14. The CDM-AP considered an updated report by the secretariat on the number of existing resources on the roster of experts and on the estimated resource requirements to conduct the assessment activities planned for 2010. The CDM-AP agreed to review these resources at each future meeting based on the actual assessment activities.

15. The CDM-AP discussed the proposed training programme and revised monitoring procedures for the assessment team members, in order to seek further improvement of consistency in the assessment process. It noted that the next in-person training of the assessors is scheduled for 26 – 27 April 2010, in Bonn, Germany.

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

16. The following key issues are under consideration by the CDM-AP, in line with its work plan for 2010:

- (a) Regular review and preparation for revision of the core accreditation documents, including the CDM Accreditation Procedure, the CDM Accreditation Standard and the Validation and Verification Manual;
- (b) Measures to ensure impartiality, independence and technical competence of DOEs;
- (c) Measures to protect project activities from undue prejudice by a suspension or withdrawal of accreditation status of a DOE doing its validation or verification;
- (d) Additional enabling sanctions to those that already available in the accreditation process;
- (e) The development of an “ABC guidance” document to enhance consistency of the accreditation process;
- (f) The development and application of a system for continuous monitoring of the performance of DOEs, including its use within the accreditation process.

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

17. The Board may wish to note that the forty-eighth meeting of the CDM-AP is tentatively scheduled for 28-30 April 2010, in Bonn, Germany.

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## ANNEX 1

### DRAFT GUIDELINES FOR THE PREPARATION OF THE ANNUAL ACTIVITY REPORT BY A DOE TO THE EXECUTIVE BOARD

1. In accordance with paragraph 27 (g) of the modalities and procedures of the clean development mechanism (CDM M&P), designated operational entities (DOEs) are required to submit an annual activity report to the Executive Board. The CDM accreditation panel (CDM-AP) received the first annual activity report from a DOE in April 2005 which covered the main areas of its CDM related activities.
2. The guidelines are provided to ensure consistency and completeness of reporting with respect to the key CDM activities of a DOE. They cover reporting elements and guidance for completing the report.

#### I. REPORT ELEMENTS

1. **Introduction**
  - (a) Period covered by the report
  - (b) Purpose of the report
2. **Accreditation status**
  - (a) Scope(s) accredited for indicating date of accreditation
  - (b) Scope(s) applied for and status of application
3. **Organization**
  - (a) Major changes in organizational structure and personnel
  - (b) CDM-related training undertaken
  - (c) Use of subcontractors
  - (d) Management systems
    - (i) Internal audit(s) carried out
    - (ii) Management review(s) carried out
    - (iii) Complaints, disputes and appeals on CDM-related activities
4. **Activities relating to the consideration of project activities**
  - (a) List of project activities
  - (b) Status of project activities
  - (c) Regional distribution of project activities
  - (d) Sectoral distribution of project activities
  - (e) List of project activities declined, if any, including the reasons for doing so
  - (f) List of the projects activities undertaken in countries having less than 10 registered project activities
  - (g) Number of project activities under validation or verification per qualified auditor

(h) Average timeframes for the validation and verification of project activities (from the signing of contract to submission of the request to the CDM-EB), divided by region

(i) Average fees for the validation and verification of CDM project activities, divided by region

5. **Interactions with interested parties**

- (a) Interactions with the Executive Board
- (b) Interactions with other designated operational and/or applicant entities
- (c) Interactions with other interested parties

6. **Financial statement**

- (a) Annual income and expenditure relating to CDM related activities.

7. **Challenges and lessons learnt**

## **II. GUIDANCE FOR COMPLETING THE REPORT**

1. This report shall cover the period from 1 July of the preceding year to 30 June of the current year
2. The DOE annual activity report shall be submitted to the Executive Board not later than 30 September
3. The length of the annual activity report should not exceed 5 pages. All pertinent information shall be contained within the 5 pages. Supplementary information may be provided in annexes to the report.
4. The annual activity report to the Executive Board shall be treated as confidential.
5. The annual activity report to the Executive Board shall be signed by the Chief Executive Officer of the DOE

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