REPORT OF THE CDM ACCREDITATION PANEL (CDM-AP)

Fiftieth Meeting of the CDM-AP

17 – 20 August 2010

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Annex 1: CDM ACCREDITATION STANDARD

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I. Introduction

1. This report of the CDM Accreditation Panel (CDM-AP) covers the period from 17 July 2010 to 20 August 2010, including its fiftieth meeting (17 – 20 August 2010).

II. Status of applications

2. The total number of entities currently under consideration by the CDM-AP is forty three (43), including thirty-two (32) designated operational entities (DOEs)[1] and eleven (11) applicant entities (AEs). A total of nine (9) entities have withdrawn their applications, accreditation of one (1) entity has expired and three (3) applications have been rejected by the Board.

3. In terms of geographical distribution, out of the forty three (43) entities currently under consideration, the highest number of entities, twenty six (26), 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 the Latin America and Caribbean region.

4. A total of seventeen (17) entities are from Non-Annex I Parties, including fifteen (15) entities from the Asia and Pacific region, one (1) from Africa and one (1) from the Latin America and Caribbean region. With respect to individual countries, six (6) from Republic of Korea, five (5) entities are from China, three (3) from India, one (1) from Colombia, one (1) from Malaysia and one (1) from South Africa.

III. Update on work of the CDM-AP

5. The CDM-AP, in accordance with its work plan for 2010 (version 2), completed its work on the revision of the CDM accreditation standard, taking into consideration guidance provided by the CMP and the Board and inputs provided by the DOE/AIE Coordination Forum. The CDM-AP agreed on the revised standard, as contained in Annex 1 to this report, with the changes focusing on the following sections:

(a) Human resources and competence, including Annex D on the definition of technical areas;

(b) Safeguarding impartiality;

(c) Allocation of CDM functions to non-central sites;

(d) Annex C: Requirements for annual reports by DOEs.

6. The CDM-AP recommends to the Board to adopt the revised CDM accreditation standard, providing DOEs with six (6) months grace period to comply with the requirements of the revised standard.

7. The CDM-AP also recommends to the Board to cancel the stand-alone document "Guidelines for the preparation of the annual activity report by a DOE to the Executive Board" whose provisions are included in Annex C to the revised CDM accreditation standard.

8. The CDM-AP, in accordance with its work plan for 2010 (version 2), also completed its work on the revision of the CDM accreditation procedure, taking into consideration guidance provided by the CMP and the Board and inputs provided by the DOE/AIE Coordination Forum. The CDM-AP agreed on the revised procedure, as contained in Annex 2 to this report.

9. The CDM-AP recommends to the Board to adopt the revised CDM accreditation procedure with immediate effect.

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[1] Includes entities accredited and provisionally designated by the Board.

10. The CDM-AP considered a report provided by the secretariat on the progress made in developing a procedure to address liability of DOEs for excess issuance of CERs. The CDM-AP took note of the report and provided further comments to be taken into consideration in the development of the liability procedure.

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 four (4) applications for initial accreditation, one (1) application for re-accreditation, two (2) applications for extension of sectoral scopes and two (2) performance assessments. Recommendations and notifications on three (3) cases will be submitted for consideration by the Board under confidentiality.

13. The CDM-AP also considered a progress update on the on-going spot-check assessment.

V. Expert Resources

14. The CDM-AP agreed on the revised terms of reference for CDM assessment teams, including the revised qualification criteria for the CDM-AT members.

15. The CDM-AP considered a report on the status of internal and external assessment resources, including the results of the performance monitoring of assessment team members. The CDM-AP requested the secretariat to continue providing such information at each meeting of the CDM-AP.

16. The CDM-AP considered a report on the preparation of the second training workshop for the CDM-AT members and leaders to take place in Bonn on 22 – 24 September 2010.

VI. Key issues under consideration

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

(a) The development of an "ABC Guidance" document to enhance consistency of the accreditation process;

(b) Additional enabling sanctions to those that are already available in the accreditation process;

(c) The development and application of a system for continuous monitoring of the performance of DOEs, including its use within the accreditation process;

(d) Training of the assessment resources.

VII. Further schedule of the CDM-AP

18. The Board may wish to note that the fifty-first meeting of the CDM-AP is tentatively scheduled for 20 – 22 October 2010, in Bonn, Germany.

19. The CDM-AP requests the Board to re-consider dates its fifty-second meeting, currently scheduled for 15 – 17 December 2010.

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Annex 1

CDM ACCREDITATION STANDARD FOR OPERATIONAL ENTITIES

(Version 2.0)

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I. Abbreviations

AE/DOE	Applicant entity[1]/Designated Operational Entity
CDM AP	CDM accreditation panel
CDM AT	CDM assessment team
CDM EB	CDM Executive Board
CDM PP	CDM project participants
CDM PA	CDM project activities
CDM M&P	Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol, Decision 3/CMP.1
COP/MOP	The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol
DNA	Designated National Authority
GHG	Greenhouse gas
PDD	Project design document
V&V	Validation and verification

[1] In case where a DOE applies for re-accreditation or additional sectoral scopes it is also considered as an AE.

II. Introduction

A. Objective and scope

1. The purpose of this document is to facilitate and promote common understanding and consistent implementation of the CDM accreditation requirements by providing users with a compilation of all the CDM accreditation requirements in a single document.

2. The CDM accreditation standards described in Appendix A to Decision 3/CMP.1 (CDM M&P) specify the requirements applicable to AEs and DOEs. An AE/DOE shall also comply with the requirements described in other sections of the CDM M&P and in the decisions and/or clarifications issued by COP/MOP and the CDM EB as detailed in paragraph 6 below. The text of each requirement described in Appendix A to the CDM M&P and related references in the CDM M&P is provided in a text box and the relevant elaboration of each such requirement in accordance with the COP/MOP and CDM EB decisions and accepted practice in accreditation is provided immediately after the text box.

3. For mandatory provisions, the term "shall" is used throughout this document. The term "should" is used for indicating a typical means for meeting a requirement, and if the AE/DOE uses alternative means, it shall provide a suitable and adequate justification for the alternative means.

B. Terms and definitions

4. The definitions provided in the "Glossary of CDM terms[2]" shall apply. For terms specific to the CDM accreditation process that are not defined in the "Glossary of CDM terms" the definitions below shall apply.

5. CDM accreditation: Formal recognition by the CDM EB of an AE's institutional capacity and competence to carry out the CDM validation and/or verification/certification functions[3] in accordance with the CDM accreditation requirements.

6. CDM accreditation requirements: The CDM accreditation requirements are defined in the following documents:

(a) Appendix A to the CDM M&P;

(b) Section E "Designated operational entities" of the CDM M&P;

(c) Section G "Validation and registration" of the CDM M&P;

(d) Section I "Verification and certification" of the CDM M&P; and

(e) Relevant decisions issued by the COP/MOP and/or the CDM EB.

[2] For glossary of CDM terms see <http://cdm.unfccc.int/Reference/glossary.html>

[3] In accordance with the CDM M&P DOEs shall perform CDM validation and verification functions. The requirements for the DOEs to perform these functions are defined in the CDM validation and verification manual. The AEs, seeking their accreditation, shall integrate the provisions of the validation and verification manual into their quality management systems. Hereafter, the same note applies to the phrase "the validation and/or verification/certification functions".

7. Complaints: Formal (written) and/or informal (verbal) expressions of dissatisfaction regarding the performance of a DOE in relation to its CDM function(s), from any source, such as the CDM client's organization (CDM PP), the general public or its representatives, government bodies, NGOs, etc.

8. Disputes: Disagreement between a DOE and the project participant regarding the DOE's recommendation and/or opinions/decisions made at various stages during the validation and/or verification/certification functions.

9. Appeals: A CDM client organization's (CDM PP) request for a review by an independent appeal panel of various decisions taken by a DOE in respect of validation and/or verification/certification functions.

10. Related body: An organization and/or body related to an AE/DOE on the basis of common ownership and/or governance, personnel, shared resources, finances, contracts, marketing and payment of commission or other inducement for bringing in business or the referral of new clients, etc.

11. Competence: Ability to apply knowledge and skills to CDM validation and/or verification/certification functions with a view to achieve intended results, in accordance with CDM accreditation requirements.

12. Knowledge: The theoretical and/or practical understanding of a subject.

13. Skills: To carry out in practice; to do.

14. Technical area: A sub-sector of a CDM sectoral scope defined based on the nature of technical processes, applicable methodologies, monitoring requirements and environmental impacts.

15. Complex technical area: A sub-sector of a CDM sectoral scope where: (a) operations with diverse components and/or processes that are independent and interrelated with others; (b) operations may be conducted in different configurations and the inter linkages between these components are diverse.

16. Validation/verification team: One or more validators and/or verifiers performing validation and/or verification functions including one or several technical experts as needed. One validator/verifier shall be appointed as the validation /verification team leader.

17. Validator/verifier: A person with the required competence appointed to perform the validation/verification activity in a validation/verification team.

18. Technical expert: A member of the validation/verification team who provides specific technical input.

19. Designated operational entity (DOE): An entity designated by the COP/MOP, based on the recommendation by the CDM EB, as qualified to validate proposed CDM project activities as well as to verify and certify reductions in anthropogenic emissions by sources of GHG (greenhouse gases) and net anthropogenic GHG removals by sinks. A DOE shall perform either validation or verification/certification functions related to a CDM project activity. Upon request, the CDM EB may however allow a single DOE to perform all these functions for a single CDM project activity.

20. Non-conformity: Non-fulfilment of the CDM accreditation requirements.

21. Corrective action: Action to eliminate a detected non-conformity and the cause of a detected non-conformity.

22. Preventive action: Action to prevent the occurrence of non-conformity(ies) or improve the effectiveness of its function.

III. Legal issues

Appendix A to the CDM M&P

1. An operational entity shall:

(a) Be a legal entity (either a domestic legal entity or an international organization) and provide documentation of this status;

23. An AE/DOE shall be a legal entity under applicable national and/or international law so that it can function legally, enter into contracts, make decisions independently and may be sued.

24. The accreditation shall be granted to a legal entity irrespective of whether the entire organization or a part of it performs the validation/verification functions.

25. The accreditation shall be confined to the CDM functions and sectoral scopes as indicated by an AE in its completed application form for accreditation, subject to successful completion of the accreditation assessment by the CDM-AT.

26. Even if the validation and/or verification/certification functions are carried out only by a part of a legal entity, the CDM AT shall examine all other activities of the legal entity that might affect its CDM operations, in particular, for potential conflicts of interest, independence and impartiality.

27. The central office of the DOE shall assume full responsibility for decision-making regarding validation, verification and certification, as well as quality assurance and control.

28. The DOE may allocate some functions to sites other than its central office in accordance with Annex A. Other sites include:

(a) Branches and offices of the DOE other than its central office;

(b) Offices of other legal entities belonging to the same group to which the DOE belongs.

29. The central office of the DOE shall establish the contractual arrangements with the other sites described in paragraph 28(b) above for the allocation of functions.

30. Allocation of functions to other sites through contractual arrangements does not constitute the use of external individuals as described in paragraphs 65-67 below nor subcontracting as described in paragraphs 70-73 below.

IV. Human resources and competence

Appendix A to the CDM M&P:

1. An operational entity shall:

(b) Employ a sufficient number of persons having the necessary competence to perform validation, verification and certification functions relating to the type, range and volume of work performed, under a responsible senior executive;

AND

(f) Have, or have access to, the necessary expertise to carry out the functions specified in modalities and procedures of the CDM and relevant decisions by the COP/MOP, in particular knowledge and understanding of:

(i) The modalities and procedures and guidelines for the operation of the CDM, and relevant decisions of the COP/MOP and of the Executive Board;
(ii) Issues, in particular environmental, relevant to validation, verification and certification of CDM project functions, as appropriate;
(iii) The technical aspects of CDM project functions relevant to environmental issues, including expertise in the setting of baselines and monitoring of emissions;
(iv) Relevant environmental auditing requirements and methodologies;
(v) Methodologies for accounting of anthropogenic emissions by sources;
(vi) Regional and sectoral aspects;

AND

(g) An applicant entity shall make available:

(v) Its policy and procedures for the recruitment and training of operational entity personnel, for ensuring their competence for all necessary functions for validation, verification and certification functions, and for monitoring their performance.

A. Sufficiency of human resources

31. An AE/DOE shall have a system to determine necessary resources in order to meet the CDM accreditation requirements related to the validation and/or verification/certification functions that the AE/DOE undertakes or proposes to undertake.

32. An AE/DOE shall ensure that it has deployed sufficient resources relating to the type, range and volume of present and future estimated/planned workload.

33. An AE/DOE shall have sufficient internal resources for core functions defined in paragraph 105 below.

34. An AE/DOE shall evaluate the sufficiency of resources available to its CDM validation and/or verification/certification functions at least annually based on the necessary competence related to the CDM sectoral scopes, geographical locations of projects and expected volume of its validation and/or verification/certification functions. This evaluation should be based on past performance of its validation and/or verification/certification functions and future business projections.

35. The evaluation should enable an AE/DOE to ensure that required human resources remain sufficient for its validation and/or verification/certification functions.

36. The personnel carrying out validation and/or verification/certification functions irrespective of whether employed full time or part time on contract, shall be under the supervision of a responsible senior executive of an AE/DOE.

37. An AE/DOE may fulfil the requirements for sufficient resources, except those resources for core functions as described in paragraph 33 above, by:

(a) Internal resources; or

(b) Employing individuals on contractual basis; or

(c) Subcontracting.

B. Competence

1. General

38. An AE/DOE shall have documented procedure to determine the required competence related to its CDM functions, both at the management and validation/verification team level, including knowledge, skills and ability to apply the same.

39. An AE/DOE shall ensure that the competence of its resources is adequately meeting the determined level as described in paragraph 42-47 below.

40. An AE/DOE should evaluate the adequacy of the determined competence at least annually based on the performance of validation and/or verification/certification functions.

41. The evaluation should enable an AE/DOE to ensure that competence of the resources as defined by the AE/DOE remains adequate for its validation and/or verification/certification functions.

2. Competence for management functions

42. An AE/DOE shall demonstrate its commitment to the implementation of the CDM validation and/or verification/certification functions.

43. The AE/DOE shall ensure that its management is competent to:

(a) Analyse and determine the human resource requirements;

(b) Evaluate and qualify the personnel;

(c) Allocate the personnel;

(d) Assess applications and conduct of contract reviews;

(e) Select validation and/or verification team members and independent technical review personnel; and verify their competence;

(f) Maintain competence level of validation and/or verification/certification personnel and arranging any necessary training;

(g) Supervise implementation of validation and/or verification/certification procedures;

(h) Decide on validation and/or verification/certification functions;

(i) Manage all functions of the AE/DOE including impartiality related activities; and

(j) Implement overall quality management system.

3. Competence for validation/verification team

44. An AE/DOE shall ensure that members of a validation/verification team collectively have the necessary competence including:

(a) Knowledge for specific CDM technical and methodological aspects, in particular, the items specified in paragraph 1.(f)(i) through (vi) of Appendix A to the CDM M&P including:

(i) The technical process, project design, methodology, baseline, project boundary, calculation of GHG, environmental impact and monitoring requirements, measurement techniques, calibration and uncertainty in the measurement of the applicable parameters, impact of failure of monitoring equipments on the measurement of emission reductions of the CDM project activity under validation/verification, as relevant to technical areas within the sectoral scopes relevant to the CDM project activity;

(ii) Assessment of additionality, including CDM related investment analysis as appropriate;

(iii) Quantification, monitoring and reporting of GHG emissions, including relevant technical and sector issues; and

(iv) Regulatory requirements relevant to CDM sectoral scopes and project activities.

(b) Skills to perform validation and/or verification as described in paragraphs 45-46 below and to act in accordance with the applicable auditing principles and procedures; and

(c) Ability to apply the knowledge and skills to perform validation and/or verification functions in order to achieve intended results.

45. A validation/verification team member shall have skills that would enable him/her to apply relevant auditing principles, procedures and techniques inter alia:

(a) Plan and organize the work effectively and conduct the work within the agreed time schedule, to prioritise and focus on matters of significance;

(b) Collect information through effective interviewing, listening, observing and reviewing documents, records and data;

(c) Verify accuracy of collected information and confirm the sufficiency and appropriateness of gathered evidence to support audit findings and conclusions and prepare audit reports; and

(d) Communicate effectively, either through personal knowledge of the language or through help of an interpreter.

46. In addition to the above, the designated team leader shall have the following additional knowledge and skills and the ability to apply them in team leadership to facilitate the efficient and effective conduct of the validation/verification functions:

(a) Plan and make effective use of human resources during the function;

(b) Represent the validation/verification team in communications with CDM PPs and organize and direct team members;

(c) Understand the validation/verification functions and lead the team to reach conclusions on various aspects of validation/verification process; and

(d) Prevent and resolve conflicts, if any, prepare and complete the validation/verification report and handle all the possible follow-up actions, as appropriate.

4. Competence for independent technical review

47. An AE/DOE shall ensure that the personnel involved in independent technical review have the necessary competence to conduct these technical reviews, which includes knowledge relevant to the specific technical areas within CDM sectoral scope, and project activity being validated and/or verified/certified.

C. Management of human resource and competence

1. Initial competence analysis

48. An AE/DOE shall conduct and document an initial competence analysis in response to the identified needs for each technical area within CDM sectoral scope, as elaborated in Annex D, in which it operates or proposes to operate. This analysis shall provide the basis for determining specific competence requirements for each function within the AE/DOE.

49. An AE/DOE should integrate the analysis as described in paragraph 48 above with procedures for initial evaluation, qualification, and training of its personnel, improvement of its quality management system and procedures for carrying out CDM validation and/or verification/certification functions.

2. Ensuring competence of personnel

i. Validation/verification team members

50. An AE/DOE shall demonstrate how its personnel have acquired the required competence, as determined through the competence analysis, before qualifying them for relevant functions.

51. Initial qualification of validators and verifiers shall include the consideration of the criteria referred to in paragraph 64 below.

ii. Validation/verification team leaders

52. In addition to the competence described in paragraph 44 above, an AE/DOE shall ensure that the team leader has competence typically gained by acting as a trainee team leader under the direction and guidance of another validator/verifier, already qualified as a team leader, for a minimum of two validation/verification functions. This competence may also have been gained by acting in the role of a team leader in other related areas.

3. Confirmation, maintenance and improvement of competence

i. General

53. An AE/DOE shall establish a system to confirm, based on a performance evaluation, the competence of its personnel; and maintain and update competence to keep current with new requirements as described in paragraphs 42-47 above. The system shall take into account technological changes and changes in CDM requirements.

ii. Evaluation and ongoing monitoring

54. An AE's/DOE's management shall have a documented procedure for ensuring satisfactory performance of all personnel involved in CDM activities on an ongoing basis, including initial on-the-job evaluation and subsequent monitoring and measurement of the performance of the validation/verification team members and other personnel involved in CDM activities.

55. The performance evaluation process should include three main steps:

(a) Establishing the evaluation criteria (qualitative and/or quantitative);

(b) Selecting the appropriate evaluation method; typical methods include review of validation/verification reports, on-site observation, interview and/or feedback from stakeholders; and

(c) Conducting the evaluation.

56. The monitoring methods and frequency should depend on the type, range and volume of work performed by different personnel and the level of importance of their activities. In particular, an AE/DOE shall review the performance of its personnel in order to identify training needs.

iii. Training

57. An AE/DOE shall have a documented procedure for identifying training needs on a regular basis taking into account new technical and regulatory needs. An AE shall provide the documented procedure available to the CDM secretariat with its application.

58. An AE/DOE shall establish and maintain a procedure for evaluating the effectiveness of the training and update it accordingly.

4. Competence requirements for composition of validation/verification teams

59. An AE/DOE shall establish a procedure for the selection of validation/verification team members that ensures that the validation/verification team collectively has the required competence in the technical, methodological and sectoral aspects of specific CDM project activities.

60. In case where part of the validation/verification team is on-site, then the AE/DOE shall ensure that this part of the validation/verification team has the required competence including in the technical area within the CDM sectoral scope as described in paragraph 64 below.

61. The validation/verification team may include technical experts. The technical experts shall have specific expertise in technical/methodological and sectoral aspects.

62. The technical expert shall be familiar with an AE's/DOE's procedures for CDM validation/verification functions and shall have access to an up-to-date set of documented procedures giving relevant instructions and information on the CDM activities.

5. Qualification of the validation/verification team members for technical areas within CDM sectoral scope

63. An AE/DOE shall have a documented procedure for qualification of the personnel involved in validation/verification functions for technical areas within CDM sectoral scopes.

64. The qualification system shall include the consideration of the following criteria:

(a) Knowledge and skills acquired through a combination of educational background, work experience and training as elaborated in Annex D to the CDM accreditation standard; and

(b) Ability to apply knowledge and skills as demonstrated through evaluation of actual performance in validation/verification activities.

6. Use of external validators, verifiers and technical experts[4]

65. In cases where an AE/DOE uses external individuals on a contractual basis (validators, verifiers and/or technical experts), as provided for in paragraph 37 above to fully comply with its policy and the quality management system, it shall establish and implement a documented procedure for engaging external individuals.

66. The procedure shall require having a written agreement from the external individuals to comply with the AE/DOE's policies and procedures. The agreement shall address confidentiality and independence from commercial and other interests. The agreement shall also require external individuals to notify the AE/DOE of any existing or prior association with any CDM PP they may be assigned to validate/verify as well as actual or potential involvement in identification, development or financing of CDM activities.

67. The relevant requirements with respect to competence evaluation and qualification, training, monitoring and personnel records, as defined under paragraphs 44-46, 50-58 and 63-64 above and paragraph 74 below, shall also apply to these external individuals.

7. Recruitment

68. An AE's/DOE's management shall establish, document and implement appropriate system for recruitment/deployment and training of personnel so as to ensure their initial competence as stated above. An AE shall provide the documented procedure available with its application.

69. The AE/DOE shall maintain relevant records related to recruitment.

8. Subcontracting[5]

70. An AE/DOE may subcontract another legal entity to provide specific technical expertise[6] that shall be supplemental to internal resources of the AE/DOE. In such cases, the AE/DOE shall establish and implement a documented procedure for subcontracting.

71. The AE/DOE shall remain responsible for the outcomes of the work carried out by subcontractors to comply with the requirements specified in the CDM M&P, the decisions of the COP/MOP and the CDM EB.

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[4] The use of external individuals, as described in paragraphs 65-67, does not constitute allocation of functions to other sites as described in paragraphs 28-29 nor subcontracting as described in paragraphs 70-73. Use of an external individual, such as a validator, verifier and/or technical expert, aims at fulfilling a specific need in a validation or verification by supplementing the internal validation or verification team. The external individual operates as a regular member of the team, under the supervision of the team leader and the entity. The entity has to ensure the external individual meets competence requirements, provide adequate training as necessary, qualify the external individual, monitor his/her work and performance and maintain personnel records.

[5] Subcontracting, as described in paragraphs 70-73, does not constitute allocation of functions to other sites as described in paragraphs 28-29 nor the use of external personnel as described in paragraphs 65-67.

[6] Expertise relevant to technical issues related to validation and verification of CDM project activities, in accordance with paragraph 1 (f) (iii) of Appendix A "Standards for the accreditation of operational entities" of the CDM M&P.

72. The AE/DOE shall ensure that subcontractors and their personnel meet the relevant requirements contained in this standard and the AE/DOE's systems.

73. The AE/DOE shall provide documentation on evaluation of its subcontractors to the CDM-ATs during assessments.

9. Personnel records

74. An AE/DOE shall maintain up-to-date personnel records of management and administrative personnel and the personnel performing the CDM validation /verification functions including those external to the AE/DOE. These records shall include relevant qualifications, training, experience, affiliations, professional status, and any consultancy services that may have been provided, as specified by paragraphs 114-119 below.

V. Liability and finance

Appendix A to the CDM M&P

1. An operational entity shall:

(c) Have the financial stability, insurance coverage and resources required for its functions;
(d) Have sufficient arrangements to cover legal and financial liabilities arising from its functions;

A. Financial stability

75. An AE/DOE shall demonstrate that it has the financial resources and stability required for its operations of CDM related activities through:

(a) Evidence of financial resources including previous 3 years financial statements for companies existing for more than three years (balance sheets, profit and loss accounts, etc)[7]; or any other relevant evidence such as shareholders commitment for newly established companies; and

(b) Business or work plan or equivalent financial plan for next three years.

76. This documented evidence must be sufficient to generate confidence that financial status shall not compromise the impartiality of the AE/DOE.

77. An AE/DOE shall have a documented procedure to continuously monitor its income and expenditure to determine the financial stability and financial resources required for its operations of the CDM related activities.

B. Liability

78. An AE/DOE shall demonstrate that it has analysed, identified and evaluated the nature, scale and impact of all potential financial risks arising from its CDM related activities and has adequate arrangements to cover the identified financial risks.

79. The means to cover potential financial risks shall be:

(a) Liability insurance; or

(b) Financial resource reserves, such as bank savings and/or short/long term liquidities.

[7] In this context, financial statements audited by a related body may not be considered as “externally audited financial statements”.

VI. Process requirements

Appendix A to the CDM M&P
1. An operational entity shall:

(e) Have documented internal procedures for carrying out its functions including, among others, procedures for the allocation of responsibility within the organization and for handling complaints. These procedures shall be made publicly available**;**

AND

Section E "Designated operational entities" of the CDM M&P– Requirements 27 (a), (b) and (e)

AND

Section G "Validation and registration" of the CDM M&P

AND

Section I "Verification and certification" of the CDM M&P

A. General requirements

80. An AE/DOE shall establish, document, implement and maintain documented procedures for carrying out its validation and/or verification/certification functions competently, in line with the requirements specified in the CDM M&P, the latest version of the CDM Validation and Verification Manual, and relevant decisions of the COP/MOP and the CDM EB.

B. Contract review

1. Requests for validation and/or verification/certification application

81. An AE/DOE shall have a documented procedure for inviting and reviewing requests for applications from authorized representatives of CDM PPs. The request for application shall be designed to capture all the necessary information including complete details of the CDM project function that the CDM PPs would like the DOE to validate or verify/certify, so that for the DOE can establish:

(a) Whether the project falls within the DOE's accredited sectoral scopes;

(b) Whether the DOE has necessary competence to take up the project; and

(c) Whether impartiality issues are cleared in line with the CDM accreditation requirements.

82. Essential information that should be included in the application documentation which would enable the DOE to establish the above are:

(a) The PDD that defines project boundaries and sites included in assessment, the nature of the data needed for validation/verification and the methodology used;

(b) Information about the CDM PPs, the host Party and its DNA;

(c) Information about persons or organizations engaged in identification, development, and consultancy and financing of the project activity;

(d) Scope of the validation/verification; and

(e) Contract period and the liability conditions.

2. Request for application review

83. Before entering into a contract, the DOE shall review the request for application and supplementary information to ensure that the requirements for validation/verification are understood and that the documentation is complete, accurate and verifiable. The DOE shall enter into a contract only if:

(a) There are no impartiality issues that contravene the CDM accreditation requirements;

(b) It has the necessary human resources with required competence to perform the validation/verification function under question;

(c) It has been granted for CDM accreditation in the sectoral scope of the proposed project activity; and

(d) Considerations such as location(s) of the applicant organization's operations, time required to complete the project and any other issues influencing the validation/verification such as language, safety conditions, etc., have been taken into account.

84. Complete details of the contract review process along with records of the justification for the decision to undertake the project function shall be documented and maintained.

3. Validation/verification contract review

85. An AE/DOE shall have a documented procedure for entering into a contractual agreement with the project participant for the provision of validation and/or verification/certification functions.

86. Only DOEs may conclude contracts with CDM PPs for validation and/or verification/certification activities; any other entity shall not conclude such contracts. Contracts with CDM PPs for validation and/or verification/certification activities may be signed, under a power of attorney, by persons not employed by DOEs, but such contracts shall be in the name of the DOE.

C. Selection of the team for validation/verification functions

87. An AE/DOE shall have a documented procedure for determining the competencies needed in its audit team, based on the contract review, and for the validation/verification opinions and decisions.

88. The team shall have the necessary competences as specified under paragraphs 44-46 and paragraph 60 above.

89. The DOE shall have confirmed that the personnel selected as team leader and/or team member(s) have no conflict of interest with respect to the CDM project activity as described in chapter XII below.

90. An AE/DOE shall have formal rules and/or contractual conditions to ensure that each validation/verification team member (validators, verifiers and/or technical experts) acts in an impartial and independent manner.

91. Each team member should inform the DOE, prior to accepting the assignment, about any known existing, former or envisaged link to the project activity.

D. Allocation of human resources for a specific validation/verification function

92. An AE/DOE shall have a documented procedure for determining the human resources needed for the team to carry out a complete and effective validation/verification. The DOE should record the human resources, such as man-days, allocated for each validation and/or verification/certification project activity and the justification for the allocation.

93. In determining the human resources needed for the team, an AE/DOE should consider and document the following aspects:

(a) Complexity of the CDM project activity;

(b) Risks associated with the project activity;

(c) Technological and regulatory aspects;

(d) Size and location of the facility; and

(e) Type and amount of field work necessary for the validation/verification process.

E. Planning and performing validation/verification functions

94. An AE/DOE shall have a documented procedure for preparing a plan for the validation/verification. The plan should identify all the tasks required to be carried out in each type of project activity, the human resource needed for the team and identification of any specific sectoral scope(s) and geographical aspects.

95. The tasks given to each member of the validation/verification team should be clearly defined and communicated to the client (CDM PP).

96. In advance of the validation/verification, the DOE should provide the CDM PPs the names of the validation/verification team members and sufficient background information to allow the CDM PPs to object to the appointment of any particular member(s), with sufficient justification, and for the DOE to reconstitute the team in response to any valid objection. The DOE shall carry out validation and verification as per the requirements specified by the latest version of the CDM Validation and Verification Manual.

97. An AE/DOE shall have a documented procedure for conducting independent technical review of the draft validation/verification report prepared by the validation/verification team and decision-making. The decision on the assessed project activity shall be undertaken independently of the validation/verification team. The independent technical reviewer and the decision maker may be the same person.

VII. Information management

Appendix A to the CDM M&P

1. An operational entity shall:

(e) Have documented internal procedures for carrying out its functions including, among others, procedures for the allocation of responsibility within the organization and for handling complaints. These procedures shall be made publicly available;

AND

Section E of the CDM M&P

27 A designated operational entity shall:

(f) Maintain a publicly available list of all CDM project activities for which it has carried out validation, verification and certification;

(g) Submit an annual function report to the Executive Board;

(h) Make information obtained from CDM project participants publicly available, as required by the Executive Board. Information marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law. Information used to determine additionality as defined in paragraph 43 of the CDM M&P, to describe the baseline methodology and its application, and to support an environmental impact assessment referred to in paragraph 37 (c) of the CDM M&P, shall not be considered as proprietary or confidential.

A. General

98. An AE/DOE shall have a documented procedure for management of all information with respect to its validation and/or verification/certification processes.

B. Information to be made available in public domain

99. An AE/DOE shall have a documented procedure for uploading to their website the following information/documents.

(a) A list of all CDM project activities for which it has carried out validation, verification and certification;

(b) Information obtained from the CDM PPs marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law. Information used to determine additionality as defined in paragraph 43 of Decision 3/CMP.1, to describe the baseline methodology and its application, and to support an environmental impact assessment referred to in paragraph 37 (c) of the same, shall not be considered proprietary or confidential and shall be made publicly available;

(c) The PDD and the monitoring report obtained from the CDM PPs;

(d) The validation and verification reports by the DOE;

(e) The certification report by the DOE; and

(f) All documented procedures related to provision of information on validation and verification services, the allocation of responsibilities within the AE/DOE and its procedures for complaints handling shall be made publicly available.

C. Information to be made available to the CDM EB

100. The DOE shall submit an annual CDM activity report to the CDM EB in accordance with Annex C below.

101. The organizational structure, names, qualifications, experience and terms of reference of senior management personnel, such as the senior executive, board members, senior officers, team leaders and other relevant personnel, shall be made available annually to the CDM secretariat.

VIII. AE's/DOE's organization

Appendix A to the CDM M&P

1. An operational entity shall:

(g) Have a management structure that has overall responsibility for performance and implementation of the entity's functions, including quality assurance procedures, and all relevant decisions relating to validation, verification and certification. The applicant operational entity shall make available:

(i) 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;

(ii) An organization chart showing lines of authority, responsibility and allocation of functions stemming from senior management;

AND

Section E "Designated operational entities" of the CDM M&P – Requirements 26, 27 (a), (b), (c)

A. General

102. An AE/DOE shall have a documented organizational structure:

(a) To work in a credible, independent, non-discriminatory and transparent manner, complying with applicable national law; and

(b) To safeguard impartiality, including provisions to ensure impartiality of its operations.

B. Organizational structure

103. An AE/DOE shall document its organizational structure, showing duties, responsibilities and authorities of management personnel, validation, verification and certification personnel and others involved in CDM activities and any operational or supervisory committees.

104. Any planned changes in the management, key staff and organizational structure shall be notified in advance in accordance with the CDM accreditation procedure. Any unexpected change(s) shall be notified to the secretariat within ten (10) days of the change took place.

C. AE's/DOE's management

105. An AE/DOE shall identify top management (individuals, a group of persons or a board or committee) having overall authority and responsibility for the following functions:

(a) Formulation and development of policy matters relating to the operations of the AE/DOE;

(b) Establishment of quality management system in line with policies formulated;

(c) Documentation of policies and procedures and their implementation;

(d) Supervision and monitoring of implementation of policies and procedures;

(e) Supervision of finances, administrative matters and dealing with contractual matters and arrangements;

(f) Final decisions on validation and/or verification/certification;

(g) Decisions relating to disputes and complaints; and

(h) For providing adequate and competent human resources for validation/verification functions related to CDM; etc.

106. An AE/DOE shall have a documented procedure for the appointment, terms of reference and operation of any committees that are involved in its CDM policy making or operational functions.

IX. Quality management system

Appendix A to the CDM M&P:

1. An operational entity shall:

(g) Have a management structure that has overall responsibility for performance and implementation of the entity's functions, including quality assurance procedures, and all relevant decisions relating to validation, verification and certification. The applicant operational entity shall make available:

(iii) Its quality assurance policy and procedures;

(iv) Administrative procedures, including document control;

A. General

107. An AE/DOE shall establish, document, implement and maintain a quality management system for ensuring and demonstrating consistent application of the CDM accreditation requirements.

108. An AE/DOE shall make the QMS documentation available to the CDM secretariat when it submits its application and shall periodically update them to reflect any changes in the CDM accreditation requirements.

B. Responsibilities of top management

109. The top management of an AE/DOE shall demonstrate its commitment to the development and implementation of a quality management system in accordance with the CDM accreditation and validation/verification requirements.

110. The top management of an AE/DOE shall put into place measures to ensure that the policies are understood, implemented and maintained at all levels of the organization.

C. CDM quality manager

111. The top management of an AE/DOE shall appoint a member of management as a CDM quality manager, who, regardless of other responsibilities, shall have responsibility and authority for the following:

(a) Ensuring that the AE/DOE's procedures for complying with CDM accreditation requirements are established, implemented and maintained; and

(b) Reporting to the AE's/DOE's top management on the performance of the quality management system and proposing required improvements.

D. Document and record management system

1. Control of documents

112. An AE/DOE shall establish documented procedures to control all documents that form part of its CDM quality management system (internally generated or from external sources), such as quality manual, procedures, and instructions, validation and verification guidelines and procedures, regulations, standards, other normative documents. The documentation can be in any form or type of medium; e.g. paper, electronic.

113. The procedure should define the controls needed for the following:

(a) Approval of documents by authorised personnel before they are issued;

(b) Re-approval of documents by personnel authorised to approve changes before they are issued;

(c) Identification of changes in documents and current revision status;

(d) Availability of authorised and applicable versions of all required documents at points of use;

(e) Prompt removal of all obsolete documents from all points of issue or use;

(f) Suitable marking of all obsolete documents retained for legal or other reasons; and

(g) Identification, update and distribution of external documents.

2. Control of records

114. An AE/DOE shall establish and maintain documented procedures to define the controls needed for the identification, collection, indexing, access, filing, storage, protection and retrieval of its records. The established procedures shall also define retention time and disposition of records.

115. Records of original observations, derived data and sufficient information used to follow an audit trail shall be maintained to demonstrate compliance with the CDM accreditation requirements

116. An AE/DOE shall establish procedures for retaining records for a period consistent with its contractual and legal obligations and the CDM accreditation requirements. All records should be held securely and safely so as to preserve all confidential information.

117. The record control procedures should protect and back up records to prevent unauthorised access to, or amendment of, these records.

3. Records pertaining to validation and/or verification/certification functions

118. An AE/DOE shall have a documented procedure for maintaining and managing specific records pertaining to its CDM validation or verification and certification activities including the following:

(a) All information in respect of requests for validation/verification and the information received from the CDM PPs in relation to such requests;

(b) Records pertaining to contracts, including the results of contract reviews;

(c) Records pertaining to validation, verification preparation and planning;

(d) Records pertaining to objective evidence collected during validation/verification functions;

(e) Records pertaining to validation/verification assessment findings and conclusions/opinions;

(f) Records pertaining to validation, verification and certification reports;

(g) Records pertaining to any decision-making;

(h) Records of complaints, disputes and appeals and their resolutions;

(i) Personnel records, including evidence of the competence of validators/verifiers and technical experts;

(j) Records of internal audits and actions taken based on the results of the audits; and

(k) Records of management reviews and actions taken based on the reviews.

119. An AE/DOE shall have a procedure for securely transporting or transmitting documents and for securely maintaining them in accordance with its own specified retention period.

E. Internal audits

120. An AE/DOE shall have a documented procedure for conducting internal audits, at least once a year, and in accordance with a predetermined schedule and procedure, conduct internal audits of its CDM activities to verify that its quality management system is effective and to ensure that its operations continue to comply with the CDM accreditation requirements, relevant sections of the CDM M&P, relevant decisions and/or clarifications issued by COP/MOP and the CDM EB, and its own documented procedures.

121. The internal audit should address all the CDM accreditation requirements.

122. The internal audit should:

(a) Be conducted by personnel independent of the function audited, either AE's/DOE's qualified personnel or external qualified expert;

(b) Include timely corrective actions to ensure compliance with the CDM accreditation requirements if audit findings cast doubt on the effectiveness of the operations or on the correctness of the CDM validation, verification and certification activities;

(c) Ensure adequate recording of the function audited, the audit findings and corrective actions taken;

(d) Verification and recording of the implementation and effectiveness of the corrective actions taken through follow-up audit activities; and

(e) Address all elaborated requirements in the present documents.

F. Managing non-conformities in operation

123. The AE/DOE shall establish a procedure to identify non-conformities and undertake corrective and preventive actions in response to the internal audits, work carried out by the DOE and feedback from stakeholders.

124. The documented procedure to identify and manage the non-conformities shall ensure the following:

(a) Designating the responsibilities and authorities for management follow-up;

(b) Evaluation of the significance of the nonconforming work;

(c) Appropriate actions to ensure compliance with the CDM accreditation requirements, including, if necessary, withholding of validation, verification reports and certification;

(d) Allocating responsibility for authorizing the resumption of work;

(e) Initiating corrective actions; and

(f) Record the implementation of corrective actions and verify their effectiveness.

G. Corrective and preventive actions

1. Corrective actions

125. An AE/DOE shall establish a documented procedure and shall designate appropriate personnel for implementing corrective action when nonconformities or departures from the defined policies and procedures in line with the CDM accreditation requirements are identified.

126. The documented procedure shall address the following:

(a) A procedure for implementing corrective action starting with an investigation to determine the root cause(s) of the problem;

(b) The identification of corrective actions appropriate to the magnitude and the risk of the problem;

(c) The implementation of corrective actions in a timely manner;

(d) Maintenance of records corrective actions implemented, the results of documentation and implementation of any required changes in their internal systems resulting from corrective action investigations;

(e) Monitoring to ensure that the corrective actions taken have been effective; and

(f) Where the identification of non-conformities or departures casts doubts on the DOEs' compliance with its own policies and procedures, or on its compliance with the CDM accreditation requirements, an increase in the internal audit frequency.

2. Preventive Actions

127. In addition to the above, an AE/DOE should have a documented procedure for proactively identifying potential sources of non-conformities and areas for improvement and for implementing preventive actions to prevent the occurrence of non-conformities or improve the effectiveness of its validation and verification/certification functions.

128. Documented procedures for preventive actions should include the initiation of such measures to ensure their effectiveness. Preventive actions taken should be appropriate to the probable impact of the potential problems. All records for preventive actions should be maintained.

H. Management review

129. The DOE shall conduct periodic management reviews of its CDM activities to ensure continuing suitability and effectiveness of the DOE's quality management system, consistency and implementation of its policy and procedures and its continual compliance with competencies to meet the CDM accreditation requirements.

130. The review output should also be utilised to introduce necessary changes and make improvements. This review should be carried out with a predetermined schedule and procedure but shall be conducted at least once a year.

131. The review should consider:

(a) Follow-up actions from previous management reviews:

(b) The suitability of policies and procedures;

(c) Results of internal and external audits;

(d) Feedback from stakeholders related to the fulfilment of the CDM accreditation requirements;

(e) The status of corrective and preventive actions;

(f) Results and status of quality assurance measures undertaken;

(g) The fulfilment of quality objectives;

(h) Status of complaints, disputes and appeals;

(i) Recommendations for improvement;

(j) Projects rejected or placed under review by the CDM EB; and

(k) Other relevant issues such as changes in the volume and scope of work, resources, competences and personnel training, etc.

132. Findings from management reviews and the actions that arise from them shall be recorded. The typical outputs of the review should be actions for improvements in the working of the DOE aimed at better fulfilment of CDM related objectives and these should be indicated as measurable objectives.

X. Handling complaints, disputes and appeals

Appendix A to the CDM M&P:

1. An operational entity shall:

(g) Have a management structure that has overall responsibility for performance and implementation of the entity's functions, including quality assurance procedures, and all relevant decisions relating to validation, verification and certification. The applicant operational entity shall make available:

(vi) Its procedures for handling complaints, appeals and disputes;

AND

Please also see 1.(e)

A. Complaints

133. An AE/DOE shall establish a documented procedure to receive, evaluate, manage, take necessary corrective action and make decisions on complaints, and the documented procedure shall be made available to the CDM secretariat and the public.

134. The AE/DOE should have a system for investigating and taking appropriate correction and corrective actions in respect of complaints relating to project participant received by the DOE and related the validation, verification/certification activities of the DOE.

135. The DOE shall be responsible for all decisions at all levels of the complaints handling process. The personnel responsible for handling of complaints shall be identified.

136. The complaints-handling procedure should include the following:

(a) The procedure for receiving the complaint, gathering and verifying all necessary information for evaluating the validity of the complaint, investigating the complaint and for deciding what actions are to be taken in response to it;

(b) The criteria for determining the validity of complaints;

(c) Tracking and recording complaints, including actions undertaken in response to them;

(d) Ensuring that appropriate correction and corrective action are taken;

(e) Safeguard the confidentiality of the complainant and subject of the complaint. This process should be subject to requirements for confidentiality, as it relates to the complainant and to the subject of the complaint;

(f) Ensuring that the persons engaged in the complaints handling processes are different from those who carried out the validation or verification and certification activities;

(g) Acknowledging receipt of the complaint, providing the complainant a progress report where feasible;

(h) Informing the complainant of the outcome of the investigation and the final notice of the end of the complaints handling process; and

(i) Maintenance of record of complaints.

B. Disputes

137. An AE/DOE shall have a documented procedure for handling disputes which shall be made available to the CDM secretariat.

138. Disputes handling procedure should include the following:

(a) The procedure for receiving the disputes, gathering and verifying all necessary information for evaluating the validity of the disputes, investigating the disputes and for deciding what actions are to be taken in response to it;

(b) The criteria for determining the validity of disputes;

(c) Tracking and recording disputes, including actions undertaken in response to them;

(d) Ensuring that appropriate correction and corrective action are taken;

(e) Safeguard the confidentiality of the disputes and subject of the disputes. This process should be subject to requirements for confidentiality, as it relates to the disputes and to the subject of the disputes;

(f) Ensuring that the persons engaged in the disputes handling processes are different from those who carried out the validation or verification and certification activities;

(g) Acknowledging receipt of the disputes, providing the disputant a progress report where feasible;

(h) Informing the disputant of the outcome of the investigation and the final notice of the end of the disputes handling process; and

(i) Maintenance of record of disputes.

C. Appeals

139. The AE/DOE shall establish, maintain and implement documented procedure for appeals which shall be made available to the CDM secretariat and the project participants.

140. Appeals process shall include:

(a) An independent appeal panel responsible for the appeals process;

(b) The provisions to ensure that the persons engaged in the appeals process differ from those who carried out the validation, verification or certification activities, and/or involved in independent technical review functions and made decisions regarding the CDM project function;

(c) The submission, investigation and decision on appeals do not result in any discriminatory actions against the appellant;

(d) An outline of the process for receiving, acknowledging and investigating the appeal after ascertaining its validity, ensuring that decision take into account all the relevant information available and gathered as part of investigation;

(e) Tracking and recording appeals, including actions undertaken to resolve them;

(f) Ensuring that, if the investigation points towards a non-conformance, then appropriate correction and corrective action are taken to eliminate the gaps in the system, especially if investigation points towards any gaps in the system;

(g) Safeguarding the confidentiality of appellants and the subjects of the appeal. This process shall be subject to requirements for confidentiality;

(h) Providing the progress on appeal investigation and handling to the appellant and providing information/notice on final decision; and

(i) Ensuring that the final decision shall be made by the independent appeal panel.

141. The DOE shall inform the appellant in case it is not satisfied with the decision of the appeal panel, and it has an option of complaining to the CDM-EB.

XI. Pending judicial processes

Appendix A to the CDM M&P:

1. An operational entity shall:

(h) Not have pending any judicial process for malpractice, fraud and/or other function incompatible with its functions as a designated operational entity.

142. An AE/DOE shall maintain a record of all the judicial processes pending against it as well as information of any judicial cases held in the past. If the subject matter of the cases is such that it is incompatible with its functions as a DOE, then the same shall be duly reported to its management and the secretariat.

143. It is an AE's responsibility to inform the UNFCCC CDM secretariat of any such case pending at the time of application and therefore at any time during its accreditation cycle if any such case is instituted against it. Also, it is a DOE's responsibility to inform the UNFCCC CDM secretariat of the case at any time during its accreditation cycle if any such case is instituted against it.

XII. Safeguarding impartiality

Appendix A to the CDM M&P:

2. An applicant operational entity shall meet the following operational requirements:

(a) Work in a credible, independent, non-discriminatory and transparent manner, complying with applicable national law and meeting, in particular, the following requirements:

(i) An applicant operational entity shall have a documented structure, which safeguards impartiality, including provisions to ensure impartiality of its operations

(ii) If it is 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 function, the applicant operational entity shall:

- Make a declaration of all the organization's actual and planned involvement in CDM project functions, if any, indicating which part of the organization is involved and in which particular CDM project functions;
- Clearly define the links with other parts of the organization, demonstrating that no conflicts of interest exist;
- Demonstrate that no conflict of interest exists between its functions as an operational entity and any other functions that it may have, and demonstrate 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 applicant operational entity or from the functions of related bodies;
- Demonstrate 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 functions, and that it complies with any rules applicable in this respect;

AND

Section E "Designated operational entities" of the CDM M&P 27.(d): Demonstrate that it, and its subcontractors, have no real or potential conflict of interest with the participants in the CDM project functions for which it has been selected to carry out validation or verification and certification functions;

A. General

144. The AE/DOE shall ensure its integrity at all times in its CDM validation and verification/certification activities.

145. The AE/DOE shall act impartially and avoid any conflict of interest that may compromise its ability to make impartial decisions.

146. The AE/DOE shall ensure that there are no constraints that might influence its judgement or endanger its independence of judgement in relation to its validation and/or verification/certification activities, inter alia, by having sufficient resources either through internal or external resources.

147. The AE/DOE, if it is part of a larger organization, shall ensure that no conflict of interest exists between its functions as an AE/DOE and those of other parts of the organization.

148. The AE/DOE, if it has related bodies, shall ensure that no conflict of interest exists between its functions as an AE/DOE and those of the related bodies.

149. The AE/DOE shall ensure that it and its personnel have no relationship[8] that creates threats to its impartiality.

B. Safeguarding impartiality at the policy level

150. The AE/DOE shall establish and implement a policy on safeguarding impartiality, demonstrating its understanding of the possible influence that can be exerted on it as an organization and/or on its personnel when validating and/or verifying/certifying CDM project activities, and stressing its commitment to fully address that issue.

151. The AE/DOE shall ensure that its policy on safeguarding impartiality is understood and implemented at all levels of the organization.

152. The AE/DOE shall ensure its impartiality at the policy level, inter alia, by:

(a) Having the top management's commitment to safeguarding impartiality in the AE/DOE's validation and/or verification/certification functions as evidenced through defined institutional structure and impartiality policy and procedures, appropriate implementation of these policy and procedures and operation and conduct of its activities;

(b) Having a statement that describes its understanding of the necessity of impartiality in validation and/or verification/certification functions, how it manages conflict of interest and how it ensures the objectivity of validation and/or verification/certification functions;

(c) Taking action to respond to any threats to its impartiality arising from the actions of other parts of the organization, persons outside of the organization, subcontractors, related bodies or other bodies or organizations; and

(d) Maintaining a professional environment and culture in the organization that supports a behaviour of all personnel that is consistent with impartiality.

153. The AE/DOE shall make publicly available its policy for safeguarding impartiality. The AE/DOE should put this policy on its website.

C. Safeguarding impartiality at the organization level

154. The AE/DOE shall have a committee that safeguards the AE/DOE's impartiality in its validation and/or verification/certification functions and ensures that the policy on safeguarding impartiality and related procedures and other systems are effectively implemented (Impartiality Committee).

[8] A relationship that threatens the impartiality of the AE/DOE can be based on ownership, governance, management, personnel, shared resources, finances, contracts, marketing and payment of a sales commission or other inducement for the referral of new clients, etc.

155. The Impartiality Committee shall:

(a) Be separated from the management of the AE/DOE operations and established at the highest level within the organization, independent of its day-to-day operations. The AE/DOE shall ensure, in the composition of this committee, participation of key interested parties[9] with a balanced representation of each of them;

(b) Have its chairman who shall be a person independent from and external to the AE/DOE;

(c) Have documented terms of reference. This committee shall meet regularly, at least once a year, and a complete record of the proceedings of this committee shall be maintained;

(d) Approve the conflict of interest analysis and the mitigation measures described in section D below as well as monitor and review the implementation of the systems to safeguard the AE/DOE's impartiality (conflict of interest analysis, procedures and mitigation strategies and actions);

(e) Have access to all validation and/or verification/certification files or records and be able to review them, if needed. This committee needs not to intervene in or review each validation or verification/certification activity, but may need to review them in order to fulfil its mandate;

(f) Prepare an annual synthesis report of its activities, which shall be included in the DOE's annual report to the CDM EB as referred to in paragraph 100 above.

156. In cases where the Impartiality Committee identifies issues through the monitoring or review of the implementation of the AE/DOE's systems to safeguard impartiality, it shall report the instance to the AE/DOE's top management. If the top management does not follow the advices of the Impartiality Committee, this committee shall have the right to report the instance to the CDM EB through the UNFCCC secretariat.

157. Impartiality Committee's meetings may be observed by the CDM ATs as part of the AE/DOE's accreditation process.

D. Safeguarding impartiality at the operational level

1. Analysis of threats against impartiality

158. The AE/DOE shall establish and implement a documented procedure for analysing potential threats against impartiality.

159. The AE/DOE's impartiality procedure shall ensure that a conflict of interest analysis is carried out at least once annually and whenever a significant change occurs in the AE/DOE activities, such as changes in the organizational structure or of the legal status and mergers with or acquisitions of other organizations.

160. While carrying out the conflict of interest analysis the following risks[10], but not limited to them, shall be included:

[9] Participation of key interested parties to an independent committee may include representatives from academic organizations, civil society, industry associations, and local/provincial/national government entities.

[10] Drawn from Annex B to ISO 14065:2007(E).

(a) Source of revenue: risks from a client paying for the validation or verification/certification work. This risk is significant when the AE/DOE has numerous contracts with the same client;

(b) Self-interest: risks from a person or an organization acting in its own interest, for example financial self-interest;

(c) Self-review: risks from a person or an organization reviewing its own work; assessing the CDM validation or verification/certification activities of a client to whom the AE/DOE or its related bodies provided consultancy would be a self-review risk;

(d) Familiarity (or trust): risks from a person or an organization being too familiar or trusting of another person instead of seeking validation or verification/certification evidence is a familiarity risk; and

(e) Intimidation: risks from a person or an organization having a perception of being coerced openly or secretly, such as a risk to be replaced or reported to a supervisor.

161. While carrying out the conflict of interest analysis, the following activities of the AE/DOE or its related bodies, but not limited to, shall be considered as threats to impartiality:

(a) Identification, development and/or financing of CDM project activities;

(b) Consultancy related to CDM project activities;

(c) Providing of training on CDM project activities and other related topics;

(d) Marketing and tie-up promotion with CDM consultancy/financing organizations;

(e) Offering/payment of commissions or other inducements for promotion or new business;

(f) Validation and/or verification/certification activities performed by a part of a larger organization whereas another part of the same organization is involved in activities such as CDM consultancy, CDM financing, laboratory testing and calibration which may provide CDM services and PDD development;

(g) Use of personnel for validation and/or verification/certification of a CDM project activity who were previously associated with the CDM PPs in their personal capacity or otherwise for any activity such as development, consultancy, training, etc.; and

(h) Other organizational considerations such as performance targets in financial terms or in terms of a specific number of CDM project activities to be validated and/or verified/certified during a period of time.

162. While carrying out the conflict of interest analysis, the AE/DOE shall:

(a) Evaluate sources of income and assess whether financial or other commercial factors do not compromise impartiality;

(b) Identify and document its actual/proposed involvement in CDM activities other than validation and/or verification/certification and carry out and document analysis of actual and potential risk to impartiality;

(c) Identify and document all related bodies and identify actual/potential risks to impartiality, including potential conflicts arising from any such relationships;

(d) Disclose and document, in a transparent and comprehensive manner the following information, as a minimum: the types of activities carried out by the AE/DOE, its parent organization, entities belonging to the same group, related bodies, personnel and subcontractors in general and in particular regarding the CDM project activities, including development, financing, consultation and training; and

(e) Clearly define the functions of its related bodies and their relationships with the AE/DOE when describing its organizational structure. This should cover all relationships, such as:

(i) Relationships based on common ownership and governance, personnel;

(ii) Shared resources, finances, and contracts; and

(iii) Marketing and payment of commission or other inducement for bringing in business or the referral of new clients, etc.

163. The conflict of interest analysis, among other relevant data, shall be an input for the Impartiality Committee.

2. Mitigation of threats against impartiality

164. The AE/DOE shall establish and implement a documented procedure for the mitigation of threats against its impartiality. This procedure shall describe which mitigation strategies and actions are to be taken and how they will be implemented. The mitigation actions may be through, inter alia:

(a) Prohibitions – Certain defined activities should not be carried out;

(b) Restrictions – Certain defined activities should be carried out in a restricted manner with clearly defined control points to ensure mitigation; and

(c) Disclosures.

165. This procedure shall ensure the review of the mitigation strategies and actions whenever a change in the conflict of interest analysis has occurred.

166. This procedure shall ensure the following, at a minimum:

(a) The DOE shall not have any direct relationship with its client other than validation and/or verification/certification work and third party conformity assessment;

(b) The DOE shall not undertake validation and/or verification/certification of a CDM project activity if the DOE or another part of the same legal entity, a parent organization, an entity belonging to the same group or a related body has been engaged in any function that has been identified as a threat to impartiality, such as those listed in paragraph 161 above, relating to the CDM project activity;

(c) The DOE shall not subcontract validation and/or verification/certification work to a legal entity that is engaged in the development, consultancy or financing of CDM project activities;

(d) The DOE shall not use external validators, verifiers or technical experts in a CDM project activity if they, or the organization that employs them, have been engaged in the development, consultancy or financing of this CDM project activity;

(e) The DOE's activities shall not be marketed or offered as linked with the activities of an organization that provides services in respect of development, financial assistance and consultancy for CDM project activities. The DOE shall not state or imply that validation and/or verification/certification regarding a CDM project activity would be simpler, easier, faster or less expensive if a specified consultancy/financing organization is used;

(f) The DOE shall not use personnel who have been involved in, or have had relationships with the CDM PPs of, a CDM project activity under validation and/or verification/certification in any way within the last two years, to take part in validation and/or verification/certification work for the CDM project activity. If the person in question was involved in the development of a CDM project activity under validation and/or verification/certification, then the DOE shall not use such person at all;

(g) The DOE shall require its personnel, internal and external, to reveal any potential conflict of interest known to them. The DOE shall use this information as input to identifying threats to impartiality raised by the activities of such personnel or by the organizations that employ them, and shall not use such personnel, internal or external, unless any potential conflict of interests has been addressed and the measures taken to address these potential conflicts have been documented and implemented. If during the course of validation and/or verification/certification, such instances are known, the concerned personnel shall be removed from those functions immediately;

(h) The DOE shall require its personnel, internal and external, to report any situation of influence or pressure from CDM PPs that may threaten their independence in the course of validation and/or verification/certification of CDM project activities. Based on such report, the DOE shall take appropriate actions to ensure its independence in its validation and/or verification/certification work;

(i) The conditions in the DOE's contracts with CDM PPs shall not link the DOE's payments to the final outcome of the validation or verification/certification activities;

(j) The DOE's personnel involved in validation and/or verification/certification activities shall be bound by the DOE's impartiality policy and act impartially in their work through contractual or employment conditions and assignment conditions for each validation and/or verification/certification activity; and

(k) The DOE's personnel involved in validation and/or verification/certification activities shall not provide, while making validation or verification/certification regarding a CDM project activity, any advice, consultancy or recommendation to CDM PPs on how to address any deficiencies that may be identified in the validation or verification/certification.

167. The mitigation strategies and actions, among other relevant data, shall be an input for the Impartiality Committee.

E. Review of effectiveness

168. The AE/DOE shall analyse and review, at least once a year, all data and information relevant to impartiality, such as the conflict of interest analysis, the mitigation strategies and actions undertaken, any non-conformities (NCs) raised with regard to impartiality and the corrective actions implemented to correct the NCs.

169. Based on the data/information referred to above, the AE/DOE shall carry out, once a year, an analysis of the process to safeguard impartiality and a review of its effectiveness.

170. The recommendations of actions resulting from the review of the process of safeguarding impartiality shall be reported to the AE/DOE's top management. The AE/DOE shall keep record of this review.

XIII. Confidentiality management

Appendix A to the CDM M&P:

(2) (b) Have adequate arrangements to safeguard confidentiality of the information obtained from CDM project participants in accordance with provisions contained in the present annex.

171. An AE/DOE shall have a documented policy and mechanism to safeguard the confidentiality of information obtained or created during the course of validation and/or verification/certification functions, except where, Decision 3/CMP.1 or any other subsequent COP/MOP decision requires them to be made publicly available.

172. The personnel engaged by an AE/DOE shall also be bound by these confidentiality requirements. There should be a mechanism such as obtaining signed confidentiality agreements, etc, for ensuring the same.

173. An AE/DOE shall not disclose information about a contracted client (PP) that is not required to be made publicly available to a third party without the client's prior written consent. Further, it should inform the client before releasing confidential information to a third party, if required by law.

Annex A: Allocation of functions to other sites

1. The table below contains the accreditation requirements contained in this document and provides the rules for the functions that may be allocated to other sites as defined in paragraph 28 above of the CDM accreditation standard.

2. In the last column of the table, "YES" indicates that the function corresponding to the requirement may be allocated to other sites, and "NO" indicates that the function shall not be allocated to any other site than the central office of the AE/DOE. "N/A" indicates that the allocation of function is not applicable (e.g., the requirement is not a function). In cases where a requirement is for the AE/DOE to have a documented procedure, the corresponding function that can be allocated to other sites (if a "YES" is indicated) is that these sites shall implement the DOE's procedure.

Chapter	Requirement		Function	Paragraphs	Other sites
III	Legal issue			23-30	N/A
IV	Human resources and competence	Sufficiency of resources	Determination of sufficiency	31-35	NO
				36-37(a),(b)	YES
				37(c)	NO
		Competence	General competence functions	38-41	NO
			Competence for management functions	42-43	NO
			Competence for validation/verification team	44-46	NO
			Competence for independent technical review	47	NO
		Management of human resource and competence	Initial competence analysis	48-49	NO
			Ensuring competence of personnel	50-52	NO
			Confirmation, maintenance and improvement of competence	53-58	NO
			Competence requirements for composition of verification/validation team	59-62	NO
			Qualification of the validation/verification team members for technical areas within CDM sectoral scope	63-64	YES
			Use of external validators, verifiers and technical experts	65-67	YES
			Recruitment	68-69	YES
			Subcontracting	70-73	NO

			Personnel records	74	YES
V	Liability and finance	Financial stability		75-77	NO
		Liability		78-79	NO
VI	Process requirements	General requirements		80	NO
		Contract review	Request for validation and/or verification/certification application	81-82	YES
			Request for application review	83-84	YES
			Validation/verification contract review	85	YES
				86	NO
		Selection of the team for validation/verification functions		87-91	YES
		Allocation for human resources for a specific validation/verification function		92-93	YES
		Planning and performing validation/verification functions		94-97	YES
VII	Information management	General		98	NO
		Information to be made available in public domain		99	NO
		Information to be made available to the CDM EB		100-101	NO
VIII	AE/DOE organization	General		102	NO
		Organizational structure		103-104	NO
		AE's/DOE's management		105-106	NO
IX	QMS	General		107-108	NO
		Responsibilities of top management		109-110	NO
		CDM quality manager		111	NO
		Document and record management system	Control of documents	112-113	YES
			Control of records	114-117	YES
			Records pertaining to validation and/or verification/certification functions	118-119	YES
		Internal audits		120-122	NO
		Managing non-conformities in operation		123-124	NO
		Corrective and preventive actions		125-128	NO
		Management review		129-132	NO
X	Handling	Complaints		133-136	YES

	complaints, disputes and appeals	Disputes		137-138	NO
		Appeals		139-141	NO
XI	Pending judicial processes			142-143	NO
XII	Safeguarding impartiality	General		144-149	N/A
		Safeguarding impartiality at the policy level		150-153	NO
		Safeguarding impartiality at the organization level		154-157	NO
		Safeguarding impartiality at the operational level		158-167	YES
		Review of effectiveness		168-170	NO
XIII	Confidentiality management			171-173	YES

Annex B: List of sectoral scope

1. Energy industries (renewable - / non-renewable sources)
2. Energy distribution
3. Energy demand
4. Manufacturing industries
5. Chemical industry
6. Construction
7. Transport
8. Mining/Mineral production
9. Metal production
10. Fugitive emissions from fuels (solid, oil and gas)
11. Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
12. Solvents use
13. Waste handling and disposal
14. Afforestation and reforestation
15. Agriculture

In accordance with the procedural guidelines, the CDM-AP adopted this list of sectoral scopes which is based on the list of sectors and sources contained in Annex A of the Kyoto Protocol. Scopes 1 to 9 are industrial sectors and 10 to 13 are sectors based on sources of GHG emissions. For some of these scopes there might be partial overlap in terms of knowledge and skills. This list may be further modified in accordance with the procedural guidelines.

Annex C: Requirements for the preparation of the annual activity report by a DOE to the CDM EB

1. In accordance with paragraph 27 (g) of the CDM M&P, DOEs are required to submit an annual activity report to the CDM EB.

2. The requirements contained in this annex are to ensure consistency and completeness of reporting with respect to the key CDM activities of a DOE.

3. The annual activity report by a DOE shall have the following structure and content:

1. **Introduction**

   (a) Period covered by report;

   (b) Purpose of report.

2. **Accreditation status**

   (a) Scope(s) accredited for and date of accreditation;

   (b) Scope(s) applied for and status of application.

3. **Organization**

   (a) Major changes in organizational structure and personnel;

   (b) List of sites, other than the DOE's central office, having carried out validation and/or verification/certification work;

   (c) Use of external personnel;

   (d) Use of subcontractors;

   (e) Management systems;

      (i) Internal audit(s) carried out;

      (ii) Management review(s) carried out;

      (iii) Complaints, disputes and appeals on CDM-related activities.

   (f) CDM-related training undertaken.

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 scopes 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 projects activities;

(g) Number of projects 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 projects activities, divided by region.

5. **Impartiality**

(a) Report of the Impartiality Committee;

(b) Other impartiality issues.

6. **Interactions with interested parties**

(a) Interactions with the CDM EB;

(b) Interactions with other designated operational and/or applicant entities;

(c) Interactions with other interested parties.

7. **Financial statement**

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

8. **Challenges and lessons learnt**

4. The annual activity report shall cover the period from 1 July of the preceding year to 30 June of the current year.

5. The DOE shall submit its annual activity report to the CDM EB not later than 30 September.

6. The length of the annual activity report should not exceed five pages. All pertinent information shall be contained within the five pages. Supplementary information may be provided in annexes to the report.

7. The annual activity report shall be treated as confidential.

8. The annual activity report shall be signed by the Chief Executive Officer of the DOE.

Annex D: Technical Areas and initial qualifications for validations and verifications

1. This annex describes technical areas within the CDM sectoral scopes mentioned in paragraph 48 and paragraph 64 above of the CDM accreditation standard, and identifies and establishes the requirements for the initial qualification of personnel in each technical area to ensure that members of a validation/verification team, including where applicable a technical expert, collectively have the necessary competence.

A. Knowledge

(1) Educational background

2. Analysing the fifteen CDM sectoral scopes (SSs) and the methodologies linking these sectoral scopes, the following sector specific educational background is relevant for CDM sectoral scopes:

(a) SS 6 (Construction): knowledge that might be obtained through civil or construction related education or equivalent;

(b) SS 7 (Transport): knowledge that might be obtained through transportation related education or equivalent;

(c) SS 14 (Afforestation and reforestation): knowledge that might be obtained through forestry related education or equivalent;

(d) SS 15 (Agriculture): knowledge that might be obtained through agriculture related education or equivalent;

(e) All other sectoral scopes: knowledge that might be obtained through disciplines in sciences, engineering, economics or equivalent.

3. Related formal education could be one or a combination of Advance Diplomas, Bachelor, Master and higher or equivalent

(2) Work experience

4. Depending on the complexity of the technical area, experience shall be demonstrated through one or a combination of the following requirements:

(a) Direct work experience in the field (with a minimum of 1 year in a technical area and 3 years in a complex technical area) for technical areas within the sectoral scopes; and/or

(b) Related work experience project management or consultancy; and/or

(c) Qualification[11] through validation/verification activities by means of under-training and successful under-observation assessments in a technical area within a sectoral scope.

5. Direct work experience in the field is mandatory for complex technical areas, which is gained through engagement[12] with industries and involvement in the processes of specific facilities within these identified complex technical areas.

6. The fulfilment of requirements for work experience relates to initial qualification of the AE/DOE personnel. The AE/DOE is responsible for establishing a system for continual monitoring the knowledge of its personnel qualified to the technical areas within sectoral scopes.

7. Complex technical areas are:

(d) SS 1, TA 1.1: thermal energy generation from fossil fuel and biomass including thermal electricity from solar;

(e) SS 4, TA 4.1 to TA 4.*n*: i.e. technical areas of cement, aluminium, iron and steel, refinery etc.;

(f) SS 5, TA 5.1 and SS 11, TA 11.1 and SS 12, TA 12.1: chemical process industries;

(g) SS 8, TA 8.2 and SS 10, TA 10.2: oil and gas industry, coal mine methane recovery and use.

(3) Training

8. Successful completion of a technical course and/or training programme appropriate to a technical area/sectoral scope.

[11] For initial qualification based on the number of validation and verification experience the following is required:
(a) 2 numbers of validation/verification activities as Assessor Under-Training, accompanying a validator/verifier already qualified for the technical area within the sectoral scope in question;
(b) Followed by a successful performance of 2 numbers of validation/verification activities under observation of a qualified validator/verifier/technical expert in the technical area within the sectoral scope in question.

[12] Engagement through activities that allow knowledge of the processes, their interaction and different operating parameters in relation to final output of facility(ies).

B. Sectoral scope, technical areas and required technical competencies for personnel

9. The minimum number of technical areas that an AE/DOE needs to include in their system for the CDM sectoral scopes they have applied to or accredited for, are given below.

10. Further division of complex technical areas shall be considered as a complex technical area.

C. Function - Validation

SS 1: Energy industries (renewable/non-renewable sources)

- TA 1.1: Thermal energy generation from fossil fuels and biomass including thermal electricity from solar (COMPLEX)
- TA 1.2: Energy generation from renewable energy sources

SS 2: Energy distribution

- TA 2.1: Electricity distribution
- TA 2.2: Heat distribution

SS 3: Energy demand

- TA 3.1: Energy demand

SS 4: Manufacturing industries

- TA 4.1: Cement sector (COMPLEX)
- TA 4.2: Aluminum (COMPLEX)
- TA 4.3: Iron and steel (COMPLEX)
- TA 4.4: Refinery (COMPLEX)

SS 5: Chemical industry

- TA 5.1: Chemical process industries (COMPLEX)

SS 6: Construction

- TA 6.1: Construction

SS 7: Transport

- TA 7.1: Transport

SS 8: Mining/mineral production

- TA 8.1: Mining and mineral processes, excluding those included in TA 8.2 below
- TA 8.2: Oil and gas industry, coal mine methane recovery and use (COMPLEX)

SS 9: Metal production

- TA 9.1: Metal production

SS 10: Fugitive emissions from fuels (solid, oil and gas)

- TA 10.1: Mining and mineral processes, excluding those included in TA 10.2 below
- TA 10.2: Oil and gas industry, coal mine methane recovery and use (COMPLEX)

SS 11: Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride

- TA 11.1: Chemical process industries (COMPLEX)
- TA 11.2: GHG capture and destruction

SS 12: Solvents use

- TA 12.1: Chemical process industries (COMPLEX)

SS 13: Waste handling and disposal

- TA 13.1: Waste handling and disposal
- TA 13.2: Animal waste management

SS 14: Afforestation and reforestation

- TA 14.1: Forestry

SS 15: Agriculture

- TA 15.1: Agriculture
- TA 15.2: Animal waste management

(1) Competence Requirement

11. For complex technical areas:

- Section A(1)[13] and Section A(2).4.(a)[14]

12. For technical areas:

- Section A(1) and Section A(2).4.(a) **or** Section A.(1) and Section A(2).4.(b) and A(3)[15] **or** Section A(1) and Section A(2).4.(c) and A(3)

13. Qualification will be granted to all technical areas with the same nomenclature.

- Example: competence in the technical area TA 13.1 in "waste handling and disposal" will also grant competence in TA 15.2

D. Function - Verification

14. Fulfilment of qualification for validation function in each of the sectoral scopes and associated technical areas also addresses requirements for qualifications for verification function. However, the following knowledge or prior professional qualification should be additionally considered to qualify personnel for verification function:

(a) Instrumentation and metrological/calibration expertise; or

(b) Management system (e.g. ISO 9001 or ISO 14001 or ISO 17025 or equivalent).

15. It needs to be assessed if above requirement is fulfilled by any of the verification team members for the sectoral scope/technical area under verification to qualify the verification team.

[13] Educational background as defined in section A(1) above of this Annex D.
[14] Work experience as defined in section A(2) above of this Annex D.
[15] Training as defined in section A(3) above of this Annex D.

Matrix: technical areas and related initial qualification criteria

Sectoral Scope (SS) / Technical Area (TA)	Educational Background Section A(1)	Work Experience			Training Section A(3)
		Direct Work Experience Section A(2).4.(a)	Related work experience Section A(2).4.(b)	Assessments under Observation Section A(2).4.(c)	
SS 1					
TA 1.1	X	X			
TA 1.2	X	X			
	X		X		X
	X			X	X
SS 2					
TA 2.1	X	X			
	X		X		X
	X			X	X
TA 2.2	X	X			
	X		X		X
	X			X	X
SS 3					
TA 3.1	X	X			
	X		X		X
	X			X	X
SS 4					
TA 4.1→ 4.4	X	X			
SS 5					
TA 5.1	X	X			
SS 6					
TA 6.1	X	X			
	X		X		X
	X			X	X
SS 7					
TA 7.1	X	X			
	X		X		X
	X			X	X
SS 8					
TA 8.1	X	X			
	X		X		X
	X			X	X
TA 8.2	X	X			
SS 9					
TA 9.1	X	X			
	X		X		X

Sectoral Scope (SS) / Technical Area (TA)	Educational Background Section A(1)	Work Experience			Training Section A(3)
		Direct Work Experience Section A(2).4.(a)	Related work experience Section A(2).4.(b)	Assessments under Observation Section A(2).4.(c)	
	X			X	X
SS 10					
TA 10.1	X	X			
	X		X		X
	X			X	X
TA 10.2	X	X			
SS 11					
TA 11.1	X	X			
TA 11.2	X	X			
	X		X		X
	X			X	X
SS 12					
TA 12.1	X	X			
SS 13					
TA 13.1	X	X			
	X		X		X
	X			X	X
TA 13.2	X	X			
	X		X		X
	X			X	X
TA 14.1					
TA 14.1	X	X			
	X		X		X
	X			X	X
SS 15					
TA 15.1	X	X			
	X		X		X
	X			X	X
TA 15.2	X	X			
	X		X		X
	X			X	X

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History of the document

Version	Date	Nature of revision
2.0	EB xx, Annex xx "date"	Definition of technical areas and strengthening of related competence requirements, including Annex D; Strengthening of impartiality requirements; Clarification of requirements relating to allocation of functions to other sites; Annex C
01.1	EB 48, Annex 2 17 July 2009	Changes made in version 1.1 were of editorial nature Introduction; Terms and definitions; Legal issues; Annex A
01	EB 46, Annex 2 25 March 2009	Initial adoption
Decision Class: Regulatory **Document Type**: Standard **Business Function**: Accreditation		

Annex 2

PROCEDURE FOR ACCREDITING OPERATIONAL ENTITIES BY THE EXECUTIVE BOARD OF THE CLEAN DEVELOPMENT MECHANISM (CDM)

(Version 10)

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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 of the clean development mechanism (CDM-EB) shall accredit operational entities which meet the CDM accreditation requirements[2] and recommend the designation of such entities to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP).

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 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 CDM Accreditation Procedure. Any revision of the CDM Accreditation Procedure shall become effective as decided by the CDM-EB.

3. The responsibility of each actor involved in the accreditation process is as follows:

(a) The **CMP** designates operational entities, or withdraws their designation, based on a recommendation by the CDM-EB;

(b) The CDM-**EB** takes the decision whether or not to accredit an AE[3] and recommend it to the CMP for designation[4], 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 CDM-EB in accordance with its terms of reference and makes recommendations to the CDM-EB on effective implementation of the CDM accreditation process;

(d) A **CDM assessment team (CDM-AT)**, in accordance with the CDM Accreditation Procedure and under the guidance of the CDM-AP, undertakes the assessment of an AE and/or DOE, to identify the level of conformity to the CDM accreditation requirements and reports to the CDM-AP;

(e) The **secretariat** supports the implementation of the CDM Accreditation Procedure.

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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 CDM accreditation requirements for the AEs/DOEs are contained in the CDM M&P and relevant decisions issued by CMP and CDM-EB. These requirements are further elaborated in the document 'CDM accreditation standard for operational entities'.

3 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 CMP or provisional accreditation by the CDM-EB. In case where a DOE applies for either additional sectoral scopes or re-accreditation, it is also considered as an AE.

4 In accordance with decision 21/CP.8, the CDM-EB is authorized to accredit operational entities and designate them, on a provisional basis, pending the designation by the CMP at its next session. Accreditation by the CDM-EB implies, therefore, provisional designation.

(f) The **AE/DOE** to submit all required documentation through the official communication channel established for that purpose.

4. The accreditation (re-accreditation) assessment of an AE consists of following main elements:

(a) **Desk review** by a CDM-AT of the adequacy of the documented system of AE to meet the CDM accreditation requirements and perform CDM validation and verification functions[5];

(b) **On-site assessment** by a CDM-AT to evaluate the implementation of the system, including the competencies and operational capability of the AE to comply with the CDM accreditation requirements. The on-site assessment shall take place at the central office of the AE and/or at any other site where the CDM functions[6] are undertaken, as decided by the CDM-AP. The CDM-AP, in planning any on-site assessment, may decide that the impartiality committee meeting of an AE/DOE shall be observed. In such cases, the AE/DOE shall make necessary arrangements for undertaking this activity.

5. An AE shall be accredited (re-accredited) on the successful completion of desk review and on-site assessment for the sectoral scopes[7] in which the AE 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 DOE'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 shall be undertaken at least once in three years of the accredited period of a DOE as decided by the CDM-AP. The regular on-site surveillance shall take place at the central office of the DOE and/or at any other site where the CDM functions are undertaken, as decided by the CDM-AP.

8. In accordance with paragraph 20 (e) of the CDM M&P, the CDM-EB may initiate a **spot-check** to be conducted at any time with a view to assessing whether a DOE still meets the CDM accreditation requirements. The spot-check may include assessment at the central office of the DOE and/or assessment at any other site where the CDM functions are undertaken and/or assessment at the CDM project activity site and/or off-site desk review assessment.

9. A DOE may be subject to additional desk review and/or additional on-site assessment at any time of its accreditation period as and when decided by the CDM-AP or the CDM-EB. Reasons for such additional assessments shall be conveyed to the DOE.

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[5] In accordance with the CDM M&P DOEs shall perform CDM validation and verification functions. The requirements for the DOEs to perform these functions are defined in the CDM validation and verification manual. AEs, seeking their accreditation, shall integrate the provisions of the validation and verification manual into their quality management systems.

[6] For a list of functions allowed to be undertaken at sites other than the central office of the entity please refer to the CDM accreditation standard for operational entities, Annex A.

[7] For the list of sectoral scopes please refer to the CDM accreditation standard for operational entities, Annexe B.

II. Scope of accreditation

A.1 Scope of accreditation

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

11. An entity may apply to be accredited for any number of sectoral scopes.

12. The accreditation is granted to the legal entity applying for it, recognizing the location of its central office and any non-central sites declared by the entity in its application where CDM functions are undertaken.

III. Accreditation Process

B.1 Initial accreditation

13. 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 by the CDM-AP;

(d) A desk review by the CDM-AT of the documentation provided by the AE;

(e) On-site assessment by the CDM-AT at the central office of the AE and/or at any other site where the CDM functions are to be undertaken;

(f) A recommendation on accreditation or rejection of application by the CDM-AP to the CDM-EB;

(g) A decision by the CDM-EB on accreditation or rejection of application of the AE;

(h) Recommendation for designation to the CMP by the CDM-EB.

14. After the CDM-EB decides to accredit an AE and recommends it for designation, the entity is allowed to carry out sector-specific validation and/or verification/certification functions on a provisional basis until a decision of the CMP on its designation.

B.2 Application for accreditation

15. An entity shall submit to the secretariat a duly completed application form and all the documentation specified in the Appendix 1 (Application documentations) of the CDM Accreditation Procedure.

16. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee.

17. 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 CDM

Accreditation Procedure shall only continue once all missing documentation has been received by the secretariat.

18. 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 15 days to provide any comments and information in respect of the AE to the secretariat through the web interface.

19. 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.

20. 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 shall decide if additional on-site assessments shall be performed at locations other than the central office of the AE. The CDM-AP may agree to consider a case electronically.

B.3 Appointment of CDM assessment team

21. 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, 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.

22. 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 days, to member(s) of the CDM-AT identifying any conflict of interest of the CDM-AT member(s).

23. Receiving no objection from the AE, each CDM-AT member shall sign a confidentiality and non-disclosure agreement.

24. The secretariat shall introduce the CDM-AT by establishing a communication facility in order to undertake the assessment work.

25. The secretariat shall provide the CDM-AT with:

(a) All information related to the application, including application documentation;

(b) The work plan for the assessment.

B.4 Desk review

26. The CDM-AT shall undertake the desk review of the documentation provided by the AE and prepare the draft desk review report within 20 days after receiving the application documentation from the secretariat and shall send the draft desk review report to the AE through the secretariat.

27. If the documents are found adequate, the CDM-AT shall consider the draft desk review report as final and shall proceed for the on-site assessment.

28. If the CDM-AT has identified any non-conformity(ies) against the accreditation requirements, the AE shall provide additional or amended documentation to address the identified non-conformities within 90 days (30 days for re-accreditation) of the receipt of the draft desk review report[8].

[8] 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.

29. The CDM-AT shall prepare the draft final desk review report on the basis of additional and amended documentation received within 10 days of the receipt of additional and amended documents.

30. The draft final desk review report shall conclude whether the AE's documented system is in conformity with the CDM accreditation requirements for undertaking validation and/or verification functions.

31. If conformity of the documented system is confirmed, the CDM-AT shall proceed with the on-site assessment.

32. If some of the identified issues have not been fully addressed, the CDM-AT leader shall decide whether the remaining issues can be directly assessed on-site or whether they should be addressed prior to the on-site assessment.

33. If the remaining issues can be directly assessed on-site, the CDM-AT shall request in its final report that the entity addresses the remaining issues and it shall proceed with on-site assessment.

34. If the remaining issues should be addressed prior to the site visit or if no documents have been received from the AE within 90 days of the draft desk review report, the CDM-AT shall finalise the draft final desk review report indicating the missing elements, and/or the non-conformities, and provide its conclusion and recommendation to the CDM-AP.

35. The secretariat shall seek comments and/or additional documents on the draft final desk review report from the AE within six days. The CDM-AT shall finalise the report based on the received comments within six days. The final desk review report shall be submitted to the CDM-AP for its decision electronically or at its next meeting.

36. The CDM-AP, after considering the reports from the CDM-AT, shall decide on one of the following options:

(a) Recommend to the CDM-EB the rejection of the application of accreditation of the AE;

(b) Seek additional and amended documentation from the AE, providing submission and assessment deadline(s) and requesting the CDM-AT to conduct an additional desk review in relation to the documentation;

(c) Request the CDM-AT to proceed with the on-site assessment.

37. In case of re-accreditation or extension of sectoral scope(s) the CDM-AP may also decide to recommend suspension of the existing accreditation of the DOE.

38. The CDM-AP shall inform, through the secretariat, the AE of its decision to recommend the rejection of its application for accreditation. The AE shall have six days to appeal against the CDM-AP recommendation. The appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 2 (Handling of appeals).

39. The CDM-EB shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing[9] of the DOE, if applicable, and decide on one of the following options:

(a) Reject the application of accreditation of the AE;

(b) Request the CDM-AP to proceed with the on-site assessment;

[9] An AE/DOE shall be provided an opportunity for a hearing before any decision on suspension or withdrawal of its accreditation is taken according to paragraph 21 of M&P.

(c) Refer the application to the CDM-AP for further work/reconsideration.

40. For re-accreditation or extension of sectoral scope(s) the CDM-EB in addition may decide to suspend accreditation of the DOE.

B.5 On-site assessment

41. This section provides for on-site assessment at the central office of the AE. The CDM-AP may decide to include other sites to be visited by the CDM-AT.

42. The CDM-AT leader, taking into consideration the availability of the team members and the AE, shall coordinate the date(s) for the on-site assessment(s). The on-site assessment of the central office shall be undertaken within 60 days (30 days for re-accreditation) from the date of receipt of the desk review report by the AE. The visits to other sites, if any, shall be conducted after assessment at the central office as per the CDM-AP decision.

43. If the AE is not available for the on-site assessment within 60 days (30 days for re-accreditation), the secretariat shall reconfirm the entity's interest in proceeding with their 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.

44. The on-site assessment shall be conducted by the CDM-AT in accordance with the CDM on-site assessment procedure.

45. After completion of the on-site assessment, the CDM-AT shall have 12 days to prepare the draft on-site assessment report.

46. During re-accreditation assessment, if the CDM-AT have raised NC(s) that contain issues which undermine the DOE system, the draft on-site assessment report shall reflect this finding.

47. The secretariat shall send the draft on-site assessment report to the AE for comments

48. In case issues that undermine the DOE system have been raised during re-accreditation assessment, the draft on-site assessment report shall be considered by the CDM-AP at its next meeting. In such instance, the CDM-AP may take a decision as per paragraph 57. The DOE is notified of the CDM-AP recommendation in accordance with paragraph 59.

49. The AE, from the date of receiving the draft on-site assessment report, shall have 30 days (15 days for re-accreditation) to identify corrective actions to resolve the non-conformities identified.

50. The CDM-AT shall assess the proposed corrective actions within six days. If the CDM-AT does not accept the proposed corrective actions or the proposed corrective actions are not submitted, the AE shall have additional 15 days (seven days for re-accreditation) to identify further corrective actions. The CDM-AT shall assess the further proposed corrective actions within six days. If the revised proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted, the CDM-AT shall conclude the draft final on-site assessment report and the case shall be presented to the CDM-AP for its decision at its next meeting.

51. The AE, from the date of acceptance of the proposed corrective actions, shall have 90 days (30 days for re-accreditation) to implement all corrective actions and submit evidence demonstrating the implementation.

52. Once the AE has submitted documentation demonstrating that it has implemented the accepted corrective actions, the CDM-AT shall have 12 days to verify the implementation of all the corrective actions, close the non-conformities and prepare the draft final on-site assessment report.

53. In case the non-conformities have not been adequately addressed through implementation of the corrective actions as assessed by the CDM-AT, the AE shall have 30 additional days (15 days for re-accreditation) to pursue implementation of the corrective actions. The CDM-AT shall have 12 days (six days for re-accreditation) to verify implementation of 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, the CDM-AT shall prepare the draft final on-site assessment report.

54. The CDM-AT shall make the draft final on-site assessment report and NC forms available to the AE through the secretariat. The AE shall have six days to provide comments/further evidence on the draft final assessment report.

55. The CDM-AT shall have six days to complete the final on-site assessment report taking into consideration the comments provided by the AE.

56. The secretariat shall submit the final on-site assessment report to the CDM-AP for a decision at its next meeting.

57. The CDM-AP shall consider the reports and decide on one of the following options:

(a) Recommend to the CDM-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, indicating timeline for their identification and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions;

(c) Undertake any other appropriate action based on the reports.

58. For re-accreditation or extension of sectoral scope(s), the CDM-AP may in addition decide to recommend a suspension of accreditation of the DOE.

59. The CDM-AP shall inform the AE of its decision through the secretariat. The AE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 57 (a.ii and a.iii). The appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 2 (Handling of appeals).

60. The CDM-EB shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing of the DOE if applicable and decide on one of the following options:

(a) Accredit the AE for all the sectoral scopes applied for;

(b) Accredit the AE only for partial sectoral scopes applied for;

(c) Reject the application for accreditation.

61. For re-accreditation or extension of sectoral scope(s) the CDM-EB in addition may decide to suspend accreditation of the DOE.

62. The accredited (re-accredited) entity shall be subject to performance assessment.

63. The secretariat shall maintain a public list of entities accredited within specified sectoral scope(s).

64. The initial accreditation shall be valid for three years from the date of accreditation decision by the CDM-EB.

B.6 Performance assessment

65. Performance assessment shall occur over the period of accreditation.

66. After the completion of the accreditation process of an AE, 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 for, number of project activities the DOE has validated/verified and performance of the DOE based on the results of the implementation of the policy framework to address non compliance of DOEs. The CDM-AP may decide to vary number of activities to be selected for performance assessment as considered necessary.

67. The secretariat shall select activities for performance assessments following the criteria established by CDM-AP from the project activities submitted by the DOE with requests for registration, or when the monitoring reports are made public before the start of the verification activity.

68. The secretariat shall inform the DOE of the project activity selected for performance assessment. The DOE shall forward the relevant documents, as stipulated in Appendix 8, within three days of receiving notification from the secretariat on the activity selected for the performance assessment.

69. If no documents are received within the above timeline, a reminder shall be sent to the DOE. If no documents are received upon the second iteration, the case will be communicated to the CDM-AP that shall take decision as per paragraph 85 (b).

70. The secretariat shall also inform the DOE of the composition of the CDM-AT (leader and methodology expert). The secretariat shall include the methodology expert in the official communication channel established for the DOE and CDM-AT.

71. The DOE may object, in writing to the CDM-AP within six days, to a member(s) of the CDM-AT based on any conflict of interest.

72. The CDM-AT may request additional documents based on the initial review of documents sent by the DOE within five days of the receipt of the first set of documents. The DOE shall send the additional documents within three days.

73. The performance assessment of the validation functions shall be based on documentary evidence.

74. 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.

75. For the performance assessment of verification activity, the DOE shall inform the secretariat of the proposed dates of the verification site visit and provide relevant information. The DOE and the CDM-AT leader shall co-ordinate the visit of the CDM-AT to the project site with the support of the secretariat.

76. 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 30 days of the site visit.

77. The CDM-AT shall complete the performance assessment within 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 draft performance assessment report and the non-conformities report, as necessary, and forward the same to the DOE through the secretariat.

78. The DOE shall propose corrective actions, within 20 days of the receipt of the draft performance assessment report and non-conformities report.

79. The CDM-AT shall review the proposed corrective actions and communicate its acceptance or non-acceptance to the DOE within six days. If the proposed corrective actions are not accepted, the DOE shall have another 10 days to propose additional corrective actions. The CDM-AT shall review the additional corrective actions within six days. If the proposed additional corrective actions are still not found satisfactory, or no additional corrective actions are proposed within 10 days, the CDM-AT shall prepare the draft final performance assessment report.

80. 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 30 days of the acceptance of corrective actions.

81. The CDM-AT shall evaluate implementation of the corrective actions. If the non-conformities have been addressed, the CDM-AT shall prepare the draft final performance assessment report, close the non-conformities and forward the same to the DOE through the secretariat within six days of the receipt of the evidence of the corrective actions.

82. If the implementation is not satisfactory, the secretariat shall inform the DOE and it shall have another 15 days to demonstrate conformity. The CDM-AT shall have six days to assess the implementation of corrective actions. 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 draft final performance assessment report

83. The CDM-AT shall make the draft final performance assessment report and NC reports available to the DOE through the secretariat. The DOE shall have six days to provide comments/further evidence on the draft final performance assessment report.

84. The CDM-AT shall have six days to complete the final performance assessment report taking into consideration the comments provided by the DOE.

85. The secretariat shall submit the final performance assessment report to the CDM-AP for a decision at its next meeting.

86. The CDM-AP based on the final performance assessment report shall decide on one of the following options:

(a) Inform the CDM-EB of the positive outcome of performance assessment;

(b) Inform the CDM-EB of the negative outcome of the performance assessment and

(i) Undertake additional performance assessment(s);

(ii) Recommend to the CDM-EB to suspend the accreditation for limited sectoral scopes and/or functions;

(iii) Recommend to the CDM-EB to suspend the accreditation for all scopes and functions; or

(c) Seek additional corrective actions from the DOE, providing deadlines for their proposal and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions.

87. The CDM-AP may also undertake, in addition to paragraph 86, any other appropriate action based on the reports. (e.g., undertake an early surveillance…).

88. The CDM-AP shall inform the AE of its decision through the secretariat. The AE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 86 (b). The appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 2 (Handling of appeals).

89. The CDM-EB shall consider the recommendation of the CDM-AP, the report of the appeal panel and/or the hearing of the DOE, if applicable, and decide on one of the following options:

(a) Maintain the accreditation of the DOE;

(b) Suspend the accreditation of the DOE;

(c) Suspend the accreditation of the DOE for specific sectoral scopes and/or functions and/or site(s).

B.7 Regular on-site surveillance

90. The regular on-site surveillance assessment shall be conducted at least once during the three years of the accredited period of the DOE.

91. The regular on-site surveillance assessment shall take place at the central office of the DOE and at all other sites where CDM functions are being undertaken, unless decided otherwise by the CDM-AP. Each assessment is subject to separate reporting and decision making by the CDM-AP.

92. The assessment shall be for a minimum of four man-days for each site, unless otherwise decided by the CDM-AP.

93. The secretariat shall inform the DOE at least three months in advance on the tentative dates of the site visit at the central office an at other sites. The regular surveillance, at the central office, shall take place no later than the 18th month from the date of accreditation of the DOE, unless otherwise decided by the CDM-AP. The DOE may request a deviation from the tentative scheduled date of the site visit by not more than one month.

94. The CDM-AT for the regular on-site surveillance assessment shall comprise at least two members unless otherwise decided by the CDM-AP. The CDM-AT shall be nominated and provided necessary information as per section B3 above. To the extent possible, the CDM-AT shall comprise a member who has participated to the initial accreditation assessment or re-accreditation assessment. The CDM-AT shall also have technical and methodological expertise.

95. The DOE shall submit an electronic copy of the documentation specified in Appendix 1 excluding the application form and the documentation related to legal status.

96. 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. Data gathered as a result of the implementation of the policy framework to address non compliances of DOE shall constitute the basis of the elaboration of the work plan and the scope of the assessment.

97. The team leader shall coordinate, schedule on-site assessment and forward the assessment plan to the DOE at least 10 days prior to the assessment. The secretariat shall support in coordinating the assessment and logistics.

98. The CDM-AT shall undertake a review of the documentation submitted by the DOE.

99. The CDM-AT, after completion of each assessment, shall have 10 days to prepare the draft on-site surveillance report.

100. If the CDM-AT had raised NC(s) that contain issues which undermine the DOE system, the draft on-site assessment report shall reflect this finding.

101. The secretariat shall send the draft on-site surveillance report to the DOE for comments

102. In case issues that that undermine the DOE system have been raised during surveillance assessment, the draft on-site surveillance report shall be considered by the CDM-AP at its next meeting. In such instance, the CDM-AP may take a decision as per paragraph 113. The DOE is notified of the CDM-AP recommendation in accordance with paragraph 115.

103. The DOE shall have 15 days from the receipt of the draft on-site surveillance report to propose corrective actions to resolve the identified non-conformities.

104. The CDM-AT shall assess the proposed corrective actions within six days. In case the proposed corrective actions are not accepted by the CDM-AT, the DOE shall have another seven days to propose further corrective actions.

105. The CDM-AT shall have six days to assess the new proposed corrective actions. If the proposed corrective actions are still not accepted by the CDM-AT, or the proposed corrective actions are not submitted within the deadline, the CDM-AT shall complete and make the draft final on-site surveillance report and non-conformities reports available to the DOE through the secretariat. The DOE shall have six days to provide comments on the draft final on-site surveillance report.

106. The CDM-AT shall have six days to complete the final on-site surveillance report taking into consideration the comments provided by the DOE. The case shall be presented to the CDM-AP for decision during its next meeting.

107. All proposed corrective actions identified and accepted by the CDM-AT shall be completed within 30 days from the date of acceptance of the corrective actions.

108. Once the DOE has submitted documentation demonstrating that it has implemented the corrective actions identified, the CDM-AT shall have 10 days to verify the implementation of all the corrective actions to address the non-conformities, close the non-conformities and prepare the draft final on-site surveillance report.

109. If the implementation is not satisfactory, the DOE shall have an additional 15 days to pursue implementation of the corrective actions and submit further evidences. The CDM-AT shall have six days to assess the new submitted evidence. 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 draft final on-site surveillance report.

110. The CDM-AT shall make the draft final on-site surveillance report and non-conformities reports available to the DOE through the secretariat. The DOE shall have six days to provide comments on the draft final on-site surveillance report.

111. The CDM-AT shall have six days to complete the final on-site surveillance report taking into consideration the comments provided by the DOE.

112. The secretariat shall submit the final on-site surveillance report to the CDM-AP for a decision at its next meeting.

113. The CDM-AP based, on the final assessment report, shall decide on one of the following options:

(a) Inform the CDM-EB of the positive outcome of the regular surveillance;

(b) Inform the CDM-EB of the negative outcome of the regular surveillance and

(i) Recommend to the CDM-EB to suspend the accreditation for specific sectoral scopes and/or functions ;

(ii) Recommend to the CDM-EB to suspend the accreditation for all sectoral scopes, functions; or

(c) Seek additional corrective actions from the DOE, providing deadlines for their proposal and implementation and requesting the CDM-AT to conduct assessment activities in relation to those actions.

114. The CDM-AP may also undertake, in addition to the options provided by paragraph 113, any other appropriate action based on the reports (e.g.: undertake an additional performance assessment…).

115. The CDM-AP shall inform the DOE of its decision through the secretariat. The DOE shall have six days to appeal against the CDM-AP recommendation referred to in paragraph 113 (b). The appeal shall be addressed to the CDM-EB in accordance with the provisions contained in Appendix 2 (Handling of appeals). The DOE shall also have an opportunity for a hearing.

116. The CDM-EB shall consider the recommendation of the CDM-AP and the report of the appeal panel and/or the hearing of the DOE, if applicable, and decide on one of the following options:

(a) Maintain the accreditation of the DOE ;

(b) Suspend the accreditation of the DOE;

(c) Suspend the accreditation of the DOE for specific sectoral scopes and/or functions and/or site(s).

B.8 Spot-check

117. The CDM-EB can, in accordance with the CDM M&P, request a spot-check to be conducted at any time.

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

(a) The review process conducted by the CDM-EB including the provisions of the policy framework to address non-compliance by designated operational entities;

(b) Information received from a third party 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 recommendation of the CDM-AP including as a result of handling complaints against an AE/DOE as specified in Appendix 3 and performance assessment outcome.

119. The CDM-AP can recommend the CDM-EB to conduct a spot-check of a particular DOE at any time.

120. The reason that triggered a spot-check shall remain confidential.

121. The CDM-EB may decide to immediately suspend the DOE under spot-check, provided that the DOE had an opportunity for a hearing.

122. The CDM-EB, once it has decided on a spot-check, shall agree on the scope of the spot-check and inform the CDM-AP through the secretariat.

123. In case the spot-check is triggered as a result of the implementation of the policy framework to address non compliance of DOEs, the CDM-AP shall agree on the scope of the spot-check and inform the CDM-EB. The scope shall be based on the information gathered within the above cited framework.

124. The scope of the spot-check shall include the following:

(a) Identification of the type and the site of the spot-check (on-site assessment at the central office of the DOE and/or on-site assessment at any other site where the CDM functions are being undertaken 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 or specific aspects of validation and verification/certification functions;

(iv) Any other area identified as relevant to ensure competency and conformity of the DOE.

125. The name of the DOE under spot-check shall be made public as part of the CDM-EB meeting report.

126. The CDM-AP shall consider the case, elaborate the scope of the spot-check and establish a CDM-AT.

127. 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.

128. The DOE shall cover all the costs related to the spot-check in accordance with the Appendix 5 and Appendix 6.

129. The CDM-AT shall review the documentation provided by the secretariat and prepare an assessment plan taking into consideration the scope of the spot-check.

130. The CDM-AT, after completion of the spot-check, shall have five days to prepare the draft final spot-check report, including non-conformities report, if necessary.

131. The DOE shall have six days to provide comments on the draft final spot-check report. The CDM-AT shall have five days to complete the final spot-check report.

132. The CDM-AP based on the reports and the comments received from the DOE shall recommend to the CDM-EB for:

(a) Confirmation of accreditation and designation of the DOE;

(b) Request the DOE to identify and implement corrective actions to address the identified non-conformities within specified timeframe. The implemented corrective actions shall be verified by the assessment team through a site visit or a document review as appropriate;

(c) Partial suspension of accreditation with request to the DOE to implement adequate corrective actions;

(d) Full suspension of accreditation with request to the DOE to implement adequate corrective actions;

(e) Withdrawal of the accreditation of the DOE.

133. The recommendation of the CDM-AP to the CDM-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 CDM-EB at its next meeting. The DOE may request to postpone the hearing to the meeting after next.

134. The CDM-EB shall consider the recommendation made by the CDM-AP and the additional information 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 CDM-EB shall decide to:

(a) Confirm the accreditation and designation of the DOE;

(b) Request the DOE to address identified non-conformities, specifying timeframe for implementation and modalities of the assessment;

(c) Partially suspend accreditation, in respect of specific scopes, functions and/or sites with request to the DOE to implement corrective actions;

(d) Fully suspend accreditation, with request to the DOE to implement corrective actions;

(e) Withdraw accreditation of the DOE.

135. The modalities of lifting partial or total suspension of a DOE shall be undertaken as per section B.12 (Suspension).

B.9 Re-accreditation

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

137. 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 accreditation in additional sectoral scopes and identify additional sites.

138. The central office of the DOE shall be assessed for reaccreditation. The CDM-AP may decide to include other sites to be visited by the CDM-AT. In such instance, each assessment is subject to separate reporting. However, the final decision on reaccreditation is undertaken based on the outcome of both the central office assessment and other sites assessments as applicable.

139. The provisions and timelines of sections B.1 to B.7 of this Procedure regarding the desk review, on-site assessment, performance assessment and regular surveillance shall apply, except publication of a call for public comments.

140. The number of sites to be visited during the regular surveillance after reaccreditation, may be reduced by the CDM-AP based on results of previous assessments and the results of the implementation of the policy framework to address non compliance of DOEs.

141. The performance assessment of project activities initiated before re-accreditation shall continue after re-accreditation.

142. In case of a delay in the re-accreditation process, the CDM-AP may recommend to the CDM-EB to extend accreditation of a DOE for up to six months. The extension shall be granted only if the DOE has applied for re-accreditation within the specified timeline and is not responsible for the delays in the process of reaccreditation.

143. Re-accreditation shall be valid for three years from the date of expiry of the previous accreditation.

B.10 Extension of accreditation for additional sectoral scopes

144. A DOE may apply to be accredited for additional sectoral scopes at any time.

145. The CDM-AP shall consider the application and decide on the scope of the assessment, taking into account existing scope of the accreditation, additional sectoral scopes applied for and previous performance of the DOE.

146. The provisions and timelines of sections B.1 to B.7 shall apply as appropriate and applicable in accordance with the scope defined by the CDM-AP. Timelines relevant to re-accreditation shall also apply.

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

B.11 Notification on change of status of an AE/DOE

148. An AE/DOE shall inform the secretariat, at least three 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) Conformity to the CDM accreditation requirements;

(e) Allocation of CDM functions to non-central sites, including establishment of new sites.

149. In case of an unexpected significant change, the AE/DOE shall notify the secretariat no later than 10 days after the change took place.

150. The changes notified by the AE/DOE shall be considered by the CDM-AP and may require additional work by the CDM-AP and the CDM-AT (e.g., document review, site visit…) with possible cost implications.

151. If the AE/DOE does not notify the secretariat of changes within the deadline, the CDM-AP may recommend to the CDM-EB to initiate a spot-check or decide to undertake any other appropriate actions.

152. A request for moving central office and other declared sites to other physical locations shall be considered by the CDM-AP and may require additional work by the CDM-AP and the CDM-AT with possible cost implications.

B.12 Suspension of the accreditation status of a DOE

153. The CDM-EB may decide to suspend totally or partially the accreditation of a DOE based on the recommendation of the CDM-AP or other review process conducted by the CDM-EB, including the provisions of the policy framework to address non compliance by designated operational entities.

154. Prior to any decision on suspension is taken, the DOE shall be provided with an opportunity for a hearing. To facilitate the hearing, the DOE shall be provided with all relevant information that have led the CDM-EB/CDM-AP to consider the suspension of the accreditation.

155. In case the CDM-EB decides to suspend totally or partially the accreditation of a DOE, it shall indicate to the DOE the modalities for lifting such a suspension, including:

a. Identification of the non-conformities that shall be addressed;

b. Specification of a deadline for implementation of corrective actions. This deadline shall not exceed 12 months;

c. Definition of the nature of assessment to be carried out to check the implementation of the identified corrective actions, *inter alia*, site visit at the central office of the DOE, site visit to any non central site where the DOE has allocated CDM functions, site visit to a project activity(ies) site(s) and/or through a document review;

d. Treatment of the projects under validation/verification by the DOE and projects for which the DOE has submitted requests for registration/issuance.

156. If no confirmation of completion of implementation of corrective actions is received from the DOE within the defined deadline, the CDM-AP shall either recommend to the CDM-EB that the accreditation status of the DOE be withdrawn or its scope of accreditation be reduced.

157. The DOE may be provided, if it wishes, the opportunity to have its proposed corrective actions assessed for adequacy by the assessment team before their implementation. This opportunity may be provided twice. In such case, the assessment team shall have three days to assess the proposed corrective actions and respond to the DOE.

158. After receiving confirmation and evidence from the DOE that all corrective actions have been implemented, the CDM-AT shall, as soon as practicable, verify their implementation as decided by the CDM-EB.

159. The CDM-AT, after verification of the implementation of the corrective actions, shall have three (3) days to prepare the draft final assessment report.

160. The secretariat shall submit the draft final report to the DOE for comments. The DOE shall have six days to provide comments on the draft final assessment report. The CDM-AT shall have three days to complete the final assessment report and submit it to the secretariat.

161. The CDM-AP shall consider the final assessment report of the CDM-AT and submit to the CDM-EB its recommendation from one of the following options:

(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 issues identified;

(c) Maintain the suspension and allow the DOE to implement further corrective actions within a specified timeframe;

(d) Withdraw the accreditation of the DOE.

162. The recommendation of the CDM-AP and the final assessment report shall be forwarded to the DOE. If the recommendation is to withdraw the accreditation, the DOE shall have an opportunity for a hearing at the CDM-EB meeting before any decision is made by the CDM-EB.

163. The CDM-EB shall decide, based on the recommendation of the CDM-AP and, if applicable, the information provided during the hearing by the DOE, to:

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

(b) Revoke the suspension of accreditation of the DOE and request additional assessment activities to be performed (follow-up visit; performance assessments, early surveillance…);

(c) Maintain the suspension and allow the DOE to implement further corrective actions within a specified deadline;

(d) Withdraw the accreditation of the DOE on a provisional basis, pending the final decision by the CMP. 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 CMP.

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

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

B.13 Expiration and withdrawal of accreditation and their implications

166. Upon withdrawal or expiration of accreditation of an entity, the entity shall not continue any work on any CDM project activities, whether its accreditation expired or was withdrawn.

167. The DOE shall inform, if applicable, any affected clients of the withdrawal or expiration of its accreditation status.

168. Expiration or withdrawal of accreditation of a DOE shall not free the DOE from its contractual arrangement with its client or with UNFCCC secretariat including costs related to assessment conducted before expiration or withdrawal of accreditation of the DOE.

B.14 Voluntary withdrawal of application for accreditation or accreditation status by AE/DOE and its implications

169. An AE/DOE may withdraw its application for accreditation or its accreditation status by submitting a request to the CDM-AP through the secretariat.

170. The CDM-AP shall consider such request at its next meeting and will notify the CDM-EB accordingly.

171. The DOE shall inform, if applicable, any affected clients of the withdrawal of its application for accreditation or its accreditation status.

172. Voluntary withdrawal of accreditation by a DOE shall not free the DOE from its contractual arrangement with its clients or with UNFCCC secretariat, including costs related to assessment conducted before expiration or withdrawal of accreditation of the DOE.

Appendix 1

Application documentations

1. In case of an application for initial accreditation, extension of scopes and re-accreditation, the AE shall provide one (1) hard copy and an electronic version of the following documentations to the secretariat:

LIST OF DOCUMENTS	Initial application	Surveillance	Re-accreditation
(a) Completed application form	X		X
(b) Financial statements of the last three years (or any other means as per paragraph 76a of the accreditation standard)	X		
(c) Documentation on its legal entity status (either a domestic legal entity or an international organization)	X		X
(d) 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	X	X	X
(e) An organizational chart showing lines of authority, responsibility and allocation of functions	X	X	X
(f) Its quality assurance policy and procedures, including a procedures manual on how the entity conducts validation / verification and certification activities	X	X	X
(g) Administrative procedures including document control	X	X	X
(h) Its policy and procedures for the recruitment and training of AE personnel, for ensuring their competence for all necessary validation / verification and certification functions, and for monitoring their performance, including qualification procedure and competence matrix	X	X	X
(i) Its procedures for handling complaints, appeals and disputes	X	X	X
(j) A declaration that the AE has no pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity	X		X
(k) A statement that operations of the AE are in compliance with applicable national laws	X		X
(l) 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 :			
(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;	X	X	X
(ii)A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists;	X	X	X
(iii)A demonstration that no conflict of interest exists between its functions as a 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;	X	X	X
(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	X	X	X
(m)A list of all sites where the CDM functions are undertaken clearly indicating functions undertaken at each site[10]	X	X	X
(n) Completed F-CDM-SCC, referring to specific documents, procedure and forms that address the CDM accreditation requirements	X	X	X
(o) Schedule of Internal audits/ Management review meetings and Impartiality committee meetings (Indicating planned and completed activities)	X	X	X
(p) List of project activities completed and in process (Indicate the status)		X	X
(q) Summary of the changes since previous onsite assessment		X	X

2. Documentation has to be submitted in English, the working language of the CDM-EB.

Appendix 2

[1] For a list of functions allowed to be undertaken at sites other than the central office of the entity see the CDM Accreditation Standard, Annex A.

Handling of appeals

1. After being informed of an adverse recommendation by the CDM-AP to the CDM-EB, an AE/DOE shall have the opportunity to appeal against the recommendation within six (6) days. Appeals after the six (6) days deadline shall not be considered.

2. Adverse recommendations by the CDM-AP are all recommendations that:

(a) Affect the accreditation status of a DOE (e.g. denial of accreditation, partial or total suspension, withdrawal…);

(b) Constitute an obstacle for obtaining, maintaining or extending accreditation (e.g. rejection of application for accreditation, rejection of application for extension…).

3. The scope of the appeal may only address the qualification of the CDM-AT, non-compliance with procedures and/or misinterpretation of the CDM requirements.

4. The appeal shall be submitted in writing to the secretariat, clearly indicating the scope of the appeal.

5. The secretariat shall immediately inform the CDM-AP and the CDM-EB of the appeal.

6. The secretariat 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 candidates for an appeal panel.

7. The CDM-EB shall establish an appeal panel of three members, define the number of working days required for the assessment of appeal and timelines for the submission of the appeal panel report.

8. The appeal panel shall assess documentation relevant to the scope of the appeal and the process that has led to the decision appealed against (e.g., assessment reports, communications between the CDM-AT/entity/secretariat, recommendation of the CDM-AP…) in order to conclude whether the appeal is justified or not based on the items listed in paragraph 3 above.

9. If the appeal panel concludes that the appeal is justified, it shall propose a recommendation on the decision to be taken by the CDM-EB.

10. If the appeal panel concludes that the appeal is not justified, it shall substantiate its conclusion.

11. The appeal panel shall prepare a report for consideration of the CDM-EB at its next meeting.

12. 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 CDM Accreditation Procedure.

13. Following the decision of the CDM-EB, the secretariat shall make available a copy report of the appeal panel to the AE/DOE.

14. The cost for conducting an appeal shall be covered in accordance with the provisions in the Appendix 5 and Appendix 6.

Appendix 3

Handling of Complaints against an AE/DOE

1. A complaint is an expression of dissatisfaction regarding the performance of a DOE in relation to its CDM function(s) from its client's organization (CDM PP) or any entity that has submitted comments during the global stakeholder consultation process which were not taken into consideration by the DOE.

2. A complainant shall submit a complaint to the CDM-AP, through the secretariat, using the complaint form (CDM-F-CD) and supporting documentation. Such complaint shall be submitted only if the complainant has exhausted all possibilities of complaints/disputes within the DOE's system. Evidence of that shall be presented among the supporting documentation of the complaint.

3. The secretariat shall acknowledge the receipt of the complaint/dispute and carry out an initial assessment of the complaint received.

4. The secretariat shall have seven days from the receipt of the complaint to request, if necessary, the complainant to submit any relevant information or data for the initial assessment. Such information shall be submitted within 7 days by the complainant.

5. The secretariat, after the receipt of the additional documentation, if applicable, shall carry out an initial assessment of the complaint. This initial assessment shall be carried-out by a committee constituted from secretariat staff.

6. If the initial assessment reveals that the complaint is not substantiated with appropriate evidence, the secretariat shall close the case and inform the complainant accordingly.

7. If the initial assessment reveals that the complaint is substantiated, the secretariat shall inform the DOE about the complaint unless it is about a fraud or an unethical behaviour. The secretariat shall provide the DOE with the complaint and the supporting documentation received from the complainant. In situations where the complaint relates to fraud or unethical behaviour, the secretariat may conduct an investigation of the complaint without immediately informing the DOE.

8. The DOE shall have 7 days from the receipt of the notification of complaint/dispute to provide a response to the complaint, including information justifying its opinion/decision and/or behaviour.

9. Based on the information received from all parties, the secretariat shall have 7 days to prepare an assessment report for the consideration of the CDM-AP. The report is prepared even in the absence of a response from the DOE.

10. The assessment report shall comprise a summary of the case with allegations of both parties, an investigation of the alleged facts and a recommendation on whether the complaint is justified or not.

11. A complaint may be considered justified if the assessment reveals that the DOE has not complied with its own accredited system and/or the CDM requirements.

12. Both parties to the complaint shall be informed of the outcome of the assessment and when the complaint will be considered by the CDM-AP.

13. The CDM-AP at its following meeting shall consider all relevant information to the complaint including the assessment report prepared by the secretariat and decide on the case.

14. The CDM-AP may decide to conduct an additional assessment, or an additional performance assessment, recommend the conduct of a spot-check, or suspension of the DOE or any other relevant action.

15. The CDM-AP, through the secretariat, shall inform both parties of the complaints of its decision.

Appendix 4

Handling of Complaints and Disputes from an AE/DOE

1. A complaint is the expression of a dissatisfaction related to the operation of the CDM-AP, the secretariat and/or the assessment team, where a response is expected.

2. A dispute is a disagreement regarding any decision and/or opinion excluding those that are within the scope of the appeal as defined in Appendix 2 "Handling of appeals" between an AE/DOE and the CDM-AP, an AE/DOE and the CDM-AT.

3. An AE/DOE shall submit a complaint using the complaint/dispute form (CDM-F-CD). The AE/DOE shall provide all necessary documentation supporting its complaint/dispute.

4. The secretariat shall acknowledge the receipt of the complaint/dispute.

5. The secretariat shall have seven days from the receipt of the complaint/dispute to request, if necessary, the DOE to submit any relevant information or data for the initial assessment. Such information shall be submitted within 7 days by the DOE.

6. The secretariat, after the receipt of the additional documentation, if applicable, shall carry out an initial assessment of the complaint/dispute. This initial assessment shall be carried-out by a committee constituted from secretariat staff. If the complaint/dispute is against the secretariat, members of the committee shall not have been involved in any activity that is subject to the complaint/dispute.

7. If the initial assessment reveals that the complaint/dispute is not substantiated with appropriate evidence, the secretariat shall close the case and inform the DOE accordingly.

8. If the initial assessment reveals that the complaint/dispute is substantiated, the secretariat shall inform, unless a complaint is about an unethical behaviour, the party against which the complaint/dispute is raised. The secretariat shall provide the complaint received and its supporting documentation received from the complainant/disputing party. In situations where the complaint relates to unethical behaviour the secretariat may conduct an investigation of the complaint without immediately informing the DOE.

9. The party against which the complaint/dispute is raised shall have 7 days from the receipt of the notification of complaint/dispute from the secretariat to provide a response to the complaint or dispute, including information justifying its opinion/decision and/or behaviour.

10. Based on the information received from all parties, the secretariat shall have 7 days to prepare an assessment report for the consideration of a complaint/dispute body. The report is prepared even in the absence of a response from the party against which the complaint/dispute is raised.

11. The assessment report shall comprise a summary of the case with allegations of both parties, an investigation of the alleged facts and a recommendation on whether the complaint/dispute is justified or not.

12. A complaint/dispute may be considered justified if its treatment reveals, *inter alia*, that:

    a. The CDM-AP or the secretariat have not complied with the CDM Accreditation Procedure;

    b. The CDM-AT engaged in an inappropriate behaviour;

    c. The DOE disagrees about a non-conformity raised or the validity of a non closure of a non-conformity.

13. Both parties to the complaint shall be informed of the outcome of the assessment and on when the complaint/dispute will be considered by the complaint/dispute body.

14. The complaint/dispute body shall be :

a. The CDM-AP in case the complaint/dispute is against the secretariat or a CDM-AT;

b. The CDM-EB, if the complaint/dispute is against the CDM-AP.

15. The complaint/dispute body at its following meeting shall consider all relevant information to the complaint/dispute including the assessment report prepared by the secretariat and shall decide on the case.

16. The complaint/dispute body may decide to reconsider the assessment report and the non-conformity reports related to the process that triggered the complaint/dispute and /or the qualification of the assessment team members.

17. The complaint/dispute body, through the secretariat, shall inform both parties of the complaints/dispute of its decision.

Appendix 5

Fees and costs

1. This appendix provides the structure for fees[1] related to the accreditation of AEs under the CDM. 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 the CDM-AP meetings, the desk review of the application (estimate: fee for a 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. The current level of the non-reimbursable application fee is US$ 15,000.

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 paragraphs 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 AE 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 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.

Fee and costs associated with an on-site assessment of the premises of an AE/DOE

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 CDM-AT.

7. In addition, the AE shall pay a fee to cover the cost for the work provided by the CDM-AT members[2]. The secretariat shall provide the AE/DOE with the payment instructions and pre-filled receipts indicating the number of the 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

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

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

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

10. The DOE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the DOE - 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 DOE 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 CDM-AT.

12. In addition the AE shall pay a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the 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 CDM-AT (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[3]. The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the 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 application for extension of the accreditation for additional sectoral scope(s)

17. The DOE shall pay a fee to cover the cost of the work provided by the CDM-AT member, in accordance with the assessment plan determined by the CDM-AP. The secretariat shall provide the DOE with the payment instructions and pre-filled receipts indicating the number of the CDM-AT members and the days of intervention.

18. If the CDM-AP decides that extension of accreditation for additional sectoral scope (s) requires an on-site assessment, the DOE 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;

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

(b) Applicable UN daily subsistence allowance for the mission.

19. The implementation of assessment steps is depending on the payment in advance of the costs and the fee indicated above.

Costs associated with changes notified by the AE/DOE

20. 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 before decision of the CDM-EB on accreditation;

(b) Changes in the legal status of the entity;

(c) Changes in ownership;

(d) Substantial changes in documentation.

21. 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. The AE shall be charged fees equivalent to two 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.

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

23. 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"

24. 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 30 days of the date of the receipt of the quote, the secretariat shall inform 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 CMP.

Costs of an appeal

25. The costs for an appeal shall be covered by the AE/DOE concerned. The secretariat will provide the AE/DOE with an itemized quote for an "appeals fee". The AE/DOE shall pay in advance the appeals fee. After the payment by the AE/DOE is received, the appeal will be considered. If the payment of the fee is not received within 25 days after the quote was provided, the appeal is considered withdrawn by the AE/DOE.

26. In case the appealing applicant is given right through the appeals procedure, the AE/DOE shall be reimbursed the total amount of the "appeals fee".

Appendix 6

Indicative level of fees for the CDM AT Members

1. This appendix provides indicative level of fees to be paid by the applicant entity to the CDM assessment team (CDM-AT).

Assessment Activity	Type of activity	Team Leader[1] (man-days)	Team Member[2] (man-days)	Number of Team Members participating in the task	No. of days times daily fee[3] = Total Cost (US$)
Preparation of desk review report (F-CDM-DOR)[4]	Initial Accreditation	2	1	2	1,600
Onsite assessment (including on-site assessment report)	Initial Accreditation & Re-accreditation	3	2	2	2,800
	Surveillance & Spot-check	2	2	1	2,000
Verification of implementation of corrective actions to address non-conformities	Initial Accreditation & Re-accreditation	1	1	2	1,200
	Surveillance & Spot-check	1	1	1	800
Performance Assessment Val/Ver		2	2	1	1,600
Preparation of final report (F-CDM-FR)	Initial Accreditation & Re-accreditation	2	1	2	1,600
	Surveillance & Spot-check	2	1	1	1,200

2. The entities shall pay the fees directly to relevant team leader/member based on the information provided by the secretariat. The secretariat shall forward to the AE, copy to the team members, a request for payment together with a pre-filled receipt form for each team member. The AE shall ensure that the secretariat receives the original signed receipts by the respective team member. The application process will be halted in case such receipts are not received within deadlines indicated in the CDM Accreditation Procedure.

[1] The number of the man-days allocated to the team leader may be changed as per the CDM-AP decision.
[2] The number of the team members involved in an assessment may be changed as per the CDM-AP decision.
[3] The level of fee is determined by the Executive Board and presently set to US$ 400 per day.
[4] The fee for desk review is included in the non-reimbursable application fee.

Appendix 7

Forms used in the CDM accreditation process

1. The list below indicates the necessary forms by step of the CDM 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.

2. **Application for accreditation**
   - F-CDM-A = Application for accreditation
   - F-CDM-SCC = Self-completeness check

3. **Desk review**
   - F-CDM-DR = Desk review report

4. **On-site assessment of the applicant entity**
   - F-CDM-MA = Standard agenda for opening and closing meeting
   - F-CDM-MAR = Attendance register for meetings
   - F-CDM-NC = Non-conformity(NC), corrective action and clearance form
   - F-CDM-OR = On-site assessment report
   - F-CDM-FR = Final assessment report

5. **Performance assessment**
   - F-CDM-MA = Standard agenda for opening and closing meeting
   - F-CDM-MAR = Attendance register for meetings
   - F-CDM-NC = Non-conformity(NC), corrective action and clearance form
   - F-CDM-PAval = Performance assessment report form – validation
   - F-CDM-PAver = Performance assessment report form – verification
   - F-CDM-PAval-a&r = Performance assessment report form – validation for afforestation and reforestation.
   - F-CDM-FR = Final assessment report

6. **Spot-check**
   - F-CDM-MA = Standard agenda for opening and closing meeting
   - F-CDM-MAR = Attendance register for meetings
   - F-CDM-NC = Non-conformity(NC), corrective action and clearance form
   - F-CDM-OR = On-site assessment report
   - F-CDM-FR = Final assessment report

7. **Regular surveillance**
   - F-CDM-MA = Standard agenda for opening and closing meeting
   - F-CDM-MAR = Attendance register for meetings

- F-CDM-NC = Non-conformity(NC), corrective action and clearance form
- F-CDM-OR = On-site assessment report
- F-CDM-FR = Final assessment report

8. **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
- F-CDM-CD= Complaints and Disputes form

Appendix 8

List of documents to be provided by DOE for performance assessment

Description	Validation function	Verification function
Project Design Document (PDD)	X[1]	X
Date of making PDD publicly available	X	
Date of making monitoring report publicly available		X
Contract review documents	X	X
Conflict of interest analysis	X	X
Team competence justification with evidence	X	X
Monitoring report with working spreadsheet		X
Working spreadsheet (in Excel format)		X
Assessment plan		X
Report of the DOE's team that visited the project site	X	
Draft validation/verification report for internal technical review	X	X[2]
Corrective Action Requests (CARs) Clarification Requests (CLRs) and Forward Action Requests (FARs)	X	X
Comments of the internal technical reviewer on the draft validation report by the DOE's team	X	
Final validation report	X	
Any other documents requested by the CDM-AT	X	X

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[1] All versions of the PDD

[2] Documents shall be submitted after the on-site assessment.

History of the document

Version	Date	Nature of revision
09.1	EB 48, Annex 3 17 July 2009	Changes made in ver 9.1 were of editorial nature and some consistency corrections: introduction; desk review, on-site assessment; performance assessment; regular surveillance; spot-check; accreditation for additional sectoral scopes; notification on changes of status of an AE/DOE; cost associated with application for extension of the accreditation scope; forms used in the accreditation process.
09	EB46, Annex 3 25 March 2009	Performance monitoring replaced witnessing activities and phased accreditation; timelines were revised; provision for on-site assessment of non-central offices.
08	EB34, Annex 1 14 September 2007	Appeals procedure, appendix 2, was revised for specifying the establishment and responsibility of appeal panel.
07.1	EB32, Annex 22 June 2007	Changes made in ver 7.1 were of editorial nature (table of contents and references to appendices).
07	EB32, Annex 2 22 June 2007	Paragraph 30 (b) was revised and paragraph 31 was added for specifying the assessment process from CDM-AT. Paragraph 35 and 46 were slight revised for the process of disk review and on-site assessment.
06	EB 29, Annex 1 16 February 2007	Paragraph 69 was revised as a regular surveillance shall be undertaken within this three-year-period. The paragraph 71-87 were added for specified how to conduct regular surveillance. The counterpart requirements for cost associated with regular surveillance and regular surveillance assessment report were elaborated by the paragraph 14-16 from Annex D3 and F-CDM-SUR from Annex D4.
05	EB27, Annex 1 1 November 2006	Paragraph 78 (a) and (b) were revised for more elaboration of the suspension or withdrawal the designation of a designated operational entity. Paragraph 79-82 were added for specifying how to undertake corrective actions and its follow-up actions related to non-conformities within the time-frame identified by the CDM-EB in its decision.
04	EB26, Annex 1 29 September 2006	The phasing of accreditation was added to section B1.1 and Annex D.6. The developing list of sectoral scopes of accreditation and completeness check were added respectively to the paragraph 11 and 26. The desk review, on-site assessment, and witness activities were more elaborated by the following section of C.2, C.3, and C.4. The “cost” was introduced by revised section D.3 .
03	EB13, Paragraph 11 26 March 2004	Paragraph 4.3, 68.2, and 45.2 were revised according to paragraph 11, EB13 report.
02	EB 07, Annex 2 30 January 2003	Immediately public availability was slight elaborated as paragraph 1- 2; and paragraph 17 publication of the sectoral scope(s) applied was added. Definition of accreditation scope was revised as paragraph 6. Paragraph 29.4, Annex D.3-8.3, and Annex D.5 were added for completeness of whole document.
01	EB 5, Annex 2 8 Aug 2002	Initial adoption
Decision Class: Regulatory **Document Type**: Procedure **Business Function**: Accreditation		