

REPORT OF THE CDM ACCREDITATION PANEL (CDM-AP)

Fifty-sixth meeting of the CDM-AP

23 - 26 August 2011

CONTENTS

	<i>Page</i>
I. INTRODUCTION	2
II. STATUS OF APPLICATIONS	2
III. CASE SPECIFIC ISSUES	2
IV. UPDATE ON WORK OF THE CDM-AP	2
V. EXPERT RESOURCES	3
VI. FURTHER SCHEDULE OF THE CDM-AP	3
ANNEX 1 - RESPONSES TO REQUESTS FOR CLARIFICATION	

I. Introduction

1. This report of the CDM Accreditation Panel (CDM-AP) covers the period from 24 June 2011 to 26 August 2011, including its fifty-sixth meeting (23-26 August 2011).

II. Status of applications

2. The total number of entities currently under consideration by the CDM-AP is forty six (46), including thirty eight (38) designated operational entities (DOEs)¹ and eight (8) applicant entities (AEs). So far, a total of eleven (11) entities have withdrawn their applications or accreditation, accreditation of one (1) entity has expired and three (3) applications have been rejected by the Executive Board of the clean development mechanism (Board).

3. In terms of geographical distribution, out of the forty six (46) entities currently under consideration, the highest number of entities, twenty nine (29), are from the Asia and Pacific region, followed by fourteen (14) from the Western Europe and Other regions. One (1) entity is from Africa and two (2) from the Latin America and Caribbean region.

4. A total of twenty one (21) entities are from non-Annex I Parties, including eighteen (18) entities from the Asia and Pacific region, one (1) from Africa and two (2) from the Latin America and Caribbean region. With respect to individual countries, six (6) are from the Republic of Korea, six (6) entities are from China, four (4) from India, one (1) from Thailand, one (1) from Brazil, one (1) from Colombia, one (1) from Malaysia and one (1) from South Africa.

III. Case specific issues

5. The CDM-AP considered five (5) initial accreditation assessment cases, including three (3) cases that were considered electronically before the meeting. No recommendation will be submitted to the Board at this time.

6. The CDM-AP considered seventeen (17) re-accreditation assessment cases, including one (1) case that was considered electronically before the meeting. No recommendation will be submitted to the Board at this time.

7. The CDM-AP considered one (1) extension of accreditation case. No recommendation will be submitted to the Board at this time.

8. The CDM-AP considered the final reports on eight (8) regular on-site surveillances of central offices and non-central sites. Notifications on seven (7) cases will be submitted to the Board under confidentiality. In one (1) case the entity was requested to implement further corrective actions.

9. The CDM-AP considered the final reports on fifteen (15) performance assessments. Notifications on twelve (12) cases will be submitted to the Board under confidentiality. In three (3) cases the entities were requested to implement further corrective actions.

10. The CDM-AP considered five (5) notifications on changes, including two (2) requests for transfer of accreditation to another legal entity. Recommendations on two (2) cases will be submitted to the Board under confidentiality.

11. The CDM-AP initiated a spot-check of a DOE, based on the results of the DOE performance monitoring. The notification on the spot-check will be submitted to the Board under confidentiality.

¹ Includes entities accredited and provisionally designated by the Board.

12. Finally, the CDM-AP considered complaints submitted by project participants and stakeholders against DOEs.

IV. Update on work of the CDM-AP

13. The CDM-AP considered a number of requests for clarifications submitted by a DOE and other stakeholders on the CDM accreditation standard. The responses to the individual requests are contained in annex 1 to this report, in accordance with the decision of the Board at its fifty-ninth meeting.

14. The CDM-AP noted that additional work may be required to improve consistency of the competence-related sections of the CDM accreditation standard. The CDM-AP would like to initiate such work at its next meeting, following the guidance from the Board on this matter.

15. The CDM-AP discussed modalities and inter-linkages of the on-going parallel assessments of the same entity. The CDM-AP also discussed the purpose, modalities and number of performance assessments undertaken for each DOE. The CDM-AP will continue its discussion on these two items at a future meeting.

16. The CDM-AP considered the updated DOE performance monitoring reports for the periods from 1 January to 30 June 2010 and from 1 July to 31 December 2010. In accordance with the “Procedure on performance monitoring of designated operational entities”, the CDM-AP reviewed the number and nature of performance assessments, the number of non-central sites to be assessed and the areas to be assessed during regular on-site surveillance assessments of the central offices and non-central sites. Also, the CDM-AP initiated a spot-check of a DOE, as referred to in paragraph 11 above.

17. The CDM-AP agreed to re-iterate its previous request to AEs/DOEs and the assessment teams to increase attention to the root-cause analysis for identified non-conformities, not only at the incident, but also at the systemic level, as the basis for the proposal of appropriate and complete corrective actions.

18. The CDM-AP considered an update on the work on the development of the joint implementation (JI) accreditation process and the work of the JI Accreditation Panel (JI-AP). The CDM-AP agreed to consider further options for interaction with the JI-AP at future meeting, following guidance from the Board on this matter.

V. Expert Resources

19. The CDM-AP considered a regular report by the secretariat on the status and performance of internal and external assessment resources.

20. The CDM-AP considered the on-going preparations for the two additional training workshops for the experts on the roster, including a half day interaction of the CDM-AP with the lead assessors.

VI. Further schedule of the CDM-AP

21. The Board may wish to note that the fifty-seventh meeting of the CDM-AP is scheduled for 11 - 14 October 2011.

ANNEX 1

Responses to requests for clarification



Response form for requests for clarification on accreditation-related documents

F-CDM-Acc_CLA number:

F-CDM-Acc_CLA_0020

Document and version against which clarification is sought:

“CDM accreditation standard for operational entities” (ver 3.0)

Text of the query:

a) We understand from the market that some of the AP auditors are drawing their own conclusions on the accreditation standard and imposing their views on the DOE's. Such views apparently are varying from one CDM AP auditor to another CDM AP auditor. One auditor comes and says Technical Reviewer need not be a CDM auditor but must be from the same technical area. Another CDM AP auditor comes and says no, he/she should be a CDM auditor and also knowledgeable in the same technical area. Further suppose if the answer of yes, he or she should have both qualifications, then can this work of technical review be done by a team of two individuals where one is a CDM auditor and the other is technical area expert. The fact is DOE's can not challenge the CDM AP auditors even though they make some subjective conclusions some times. Perhaps on some of the critical issues like this we need consistency and guidelines from CDM AP itself. Why not a task can be done by a DOE team where both need to say yes to pass the project forward. This will be particularly important to notice in case of complex technical codes. I'm yet to find from the accreditation standard that a single person only should do the technical review who should be a qualified CDM auditor and also having the technical area expertise and experience.

b) A scenario: A CDM auditor leaves a DOE and joins a different DOE. Can the same auditor do verification for a project where he was involved in the validation team (as a auditor or lead auditor or technical expert or technical reviewer) in the past with the past DOE? If yes in what roles he can get involved in the verification activity by representing the new DOE. Please clarify in case of small scale and large scale also.

c) If a person is having shares in a DOE or DOE's subsidiary or he/she is a Director on the board of a DOE or DOE's subsidiary can he/she become a Director or hold any shares in another DOE or a DOE's subsidiary? Here DOE subsidiary means an organization who is providing CDM validation and verification services. If the answer is yes what implications with respect to verifications and if the answer is no why it is so? Note that this particular person will be at board level only not in CDM auditing.

Answer from CDM-AP to authors of request for clarification:

- a) It is not necessary for technical reviewers to be a validator/verifier. The technical reviewer should be qualified in accordance with paragraph 47 of the CDM accreditation standard v3. The technical reviewer need not be qualified for a technical area.
- b) Yes, provided that the DOE has ensured its integrity at all times and that all impartiality requirements are met and there is no conflict of interest in the DOE's validation and/or verification/certification activities. Further, the DOE shall adhere to the requirements of the CDM modalities and procedures which prescribes that the same DOE shall perform one of the functions of validation or verification/certification to a given CDM project activity. Therefore, as per above scenario, a CDM auditor who was involved in the validation team for another DOE and who would perform verification for the same project activity needs to be also assessed against the DOEs implemented system to safeguard impartiality and demonstrate no conflict of interest exists.
- c) The Standard does not disallow a person from having shares in a DOE and be part of the top management. However for a person who holds shares in another DOE, the DOE shall assess the impact on its impartiality at both the policy and operational levels and demonstrate that there is no conflict of interest.

Recommendation by the CDM-AP to the Board:

N/A

Name of the authors of the query:	a DOE
Date when the request for clarification was received at UNFCCC secretariat:	18/02/2011
Date and meeting number of consideration by the CDM-AP:	CDM-AP 56, 23-26 August 2011.



Response form for requests for clarification on accreditation-related documents

F-CDM-Acc_CLA number:	F-CDM-Acc_CLA_0021
<i>Document and version against which clarification is sought:</i>	“CDM accreditation standard for operational entities” (ver 3.0)
Text of the query:	
<p>I would like to have further clarification on the appointment of the technical expert for the validation/ verification work for a CDM project activity. For example, the approved baseline and monitoring methodology AMS III. Q. version 4 belongs to Sectoral Scope 4 and if the project activity is a waste heat recovery from a sponge iron plant and generating electricity by using the recovered waste heat. In such situation, where the methodology belongs only to Sectoral Scope 4 and the project activity involves electricity generation, is it necessary to involve a sectoral expert of TA 1.1 too for the validation/ verification of this project activity? And, if it is necessary to involve a sectoral expert of TA 1.1 in the project activity, why the methodology does not indicate it's adherence to sectoral scope 1 too?</p>	
Answer from CDM-AP to authors of request for clarification:	
<p>The DOE shall ensure that validation/verification team collectively have the necessary competences with respect to a CDM project activity. The adequacy of these competences shall be determined on a case by case basis. In case of the above example, if the DOE finds through its own contract review that the particular project activity demands knowledge and skills for both TA 1.1 and TA 4.X, then the DOE shall ensure the qualified personnel to these technical areas are members of this validation/verification team.</p> <p>With regards to your section question, please formally submit your query to the small scale working and/or the methodology panel.</p>	
Recommendation by the CDM-AP to the Board:	
N/A	
Name of the authors of the query:	a stakeholder
Date when the request for clarification was received at UNFCCC secretariat:	15/06/2011
Date and meeting number of consideration by the CDM-AP:	CDM-AP 56, 23-26 August 2011.



Response form for requests for clarification on accreditation-related documents

F-CDM-Acc_CLA number:	F-CDM-Acc_CLA_22
<i>Document and version against which clarification is sought:</i>	“CDM accreditation standard for operational entities” (ver. 3.0)
Text of the query:	
A DOE requests further clarification whether it is considered acceptable to have a contract with a parent company of the PP or whether the contract agreement should only be with the legal entity that is the PP, even if it is a wholly owned subsidiary of a group that wishes to contract centrally.	
Answer from CDM-AP to authors of request for clarification:	
The DOEs are not restricted by the CDM accreditation standard on who it enters with a contractual arrangement. The DOEs needs to ensure that it is legally correct as it enters into any contractual obligations with a PP. However the DOEs are requested to follow the ‘Procedures for processing and reporting on validation of CDM project activities (version 03)’ given in EB 50 Annex 48 para 7 and 8 as follows;	
7. <i>Paragraph 37 of the CDM modalities and procedures requires the DOE to have a contractual relationship with the project participants. Upon making the PDD available for global stakeholder consultation the DOE shall indicate with which of the project participants listed in the PDD it has a contractual relationship for the purposes of this validation activity.</i>	
8. <i>When submitting a request for registration all of project participants with a contractual relationship must still be listed in the PDD, unless they have provided a letter of voluntary withdrawal from the project activity. Project participants who are listed in the PDD submitted for global stakeholder consultation but who do not have a contractual relationship with the DOE for the purposes of the validation activity may be removed from the PDD which is submitted for registration.</i>	
Recommendation by the CDM-AP to the Board:	
N/A.	
Name of the authors of the query:	Chair of the DOE/AIE Forum
Date when the request for clarification was received at UNFCCC secretariat:	08 August 2011
Date and meeting number of consideration by the CDM-AP:	CDM-AP 56, 23-26 August 2011



Response form for requests for clarification on accreditation-related documents

F-CDM-Acc_CLA number:

F-CDM-Acc_CLA_23

Document and version against which clarification is sought:

“CDM accreditation standard for operational entities” (ver 3.0)

Text of the query:

One DOE requested clarification on transitional measure in the new accreditation standard where it was mentioned “within the three years prior to 17 March 2011” (Paragraph 5 of annex 1 to the EB meeting report). The DOE wanted to know whether or not a validation/verification that started before 18 March 2008 but ended within the three year period be counted as direct work experience.

Answer from CDM-AP to authors of request for clarification:

Any member who worked as a technical expert, validator or verifier in any project even for a project that commenced work before 16 March 2008 and was successfully registered/certified before 17 March 2011 shall be considered to have met the requirements of direct work experience.

Recommendation by the CDM-AP to the Board:

N/A

Name of the authors of the query:

a DOE

Date when the request for clarification was received at UNFCCC secretariat:

28 July 2011

Date and meeting number of consideration by the CDM-AP:

CDM-AP 56, 23-26 August 2011