REPORT OF THE CDM ACCREDITATION PANEL (CDM-AP)

Fifty-seventh meeting of the CDM-AP

11–14 October 2011

CONTENTS

I. Introduction

1. This report of the CDM Accreditation Panel (CDM-AP) covers the period from 27 August 2011 to 14 October 2011, including its fifty-seventh meeting (11–14 October 2011).

II. Status of applications

2. The total number of entities currently under consideration by the CDM-AP is 47, including 38 designated operational entities (DOEs)[1] and nine applicant entities (AEs). To date, a total of 11 entities have withdrawn their applications or accreditation, the accreditation of one entity has expired and three applications have been rejected by the Executive Board of the clean development mechanism (hereinafter referred to as the Board).

3. In terms of geographical distribution, out of the 47 entities currently under consideration, the highest number of entities, 29, is from the Asia and Pacific region, followed by 15 from the Western Europe and Other regions. One entity is from Africa and two are from the Latin America and Caribbean region.

4. A total of 23 entities are from non-Annex I Parties, including 20 entities from the Asia and Pacific region, one from Africa and two from the Latin America and Caribbean region. With respect to individual countries, six entities are from the Republic of Korea, eight are from China, four from India, one from Thailand, one from Brazil, one from Colombia, one from Malaysia and one from South Africa.

III. Case-specific issues

5. The CDM-AP considered the final report on one spot-check of a DOE, which was initiated based on the results of the DOE performance monitoring. The recommendation on the spot-check will be submitted to the Board under confidentiality.

6. The CDM-AP considered four initial accreditation assessment cases. The recommendations on two (2) cases will be submitted to the Board under confidentiality.

7. The CDM-AP considered one re-accreditation assessment case. The recommendation on the case will be submitted to the Board under confidentiality.

8. The CDM-AP considered one case of extension of accreditation scope. The recommendation on the case will be submitted to the Board under confidentiality.

9. The CDM-AP considered five regular on-site surveillances of central offices and non-central sites. Notifications on two cases will be submitted to the Board under confidentiality.

10. The CDM-AP considered the final reports on six performance assessments. Notifications on five cases will be submitted to the Board under confidentiality. In one case the entity was requested to implement further corrective actions.

11. The CDM-AP considered three additional focused desk review assessments. Notifications on two cases will be submitted to the Board under confidentiality.

12. The CDM-AP considered four notifications on changes. No recommendation will be submitted to the Board at this time.

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

IV. Update on work of the CDM-AP

13. In accordance with the "Modalities and procedures for direct communication with stakeholders", the CDM-AP allocated time for interaction with the DOE/AIE Coordination Forum, through its chair and representatives of two DOEs. The subject of this interaction was limited to policy issues, particularly on the CDM accreditation standard and the CDM accreditation procedure and did not include case-specific issues.

14. The CDM-AP took note of the inputs reported by the Chair of the DOE/AIE Coordination Forum, Mr. Werner Betzenbichler, who elaborated the input provided by entities on the following:

(a) Experiences with accreditation process;

(b) Accreditation costs and timelines;

(c) Criteria and plans for site visits;

(d) Need for further harmonization of the assessment teams;

(e) Further improvement of the CDM accreditation standard.

15. The CDM-AP thanked the DOE/AIE Coordination Forum for its input and encouraged the forum to continue to raise similar issues in the future.

16. The CDM-AP thoroughly discussed possible options to address the concerns raised by the DOE/AIE Coordination Forum. The CDM-AP agreed on the following:

(a) To establish a channel for AEs/DOEs to provide confidential feedback on the individual assessments;

(b) To consider, as part of the revision of the CDM accreditation procedure, how to effectively handle disagreements between AE/DOE and assessment teams on non-conformities raised;

(c) To remind all AEs/DOEs of the provisions of the CDM accreditation procedure allowing them to object to the appointment of a specific member of the CDM assessment team (CDM-AT) based on a claim of a conflict of interest;

(d) To review the exact scope of each type of the assessments to avoid unnecessary overlap between them;

(e) To inform all AEs/DOEs at the beginning of the year of their annual assessment plan, including the number of each type of assessments due in the year.

17. The CDM-AP also agreed to issue further guidance on the root-cause analysis to be conducted by the entities and its assessment by the CDM-ATs. For those issues that were identified by the entities as isolated incidents, the root-cause analysis should include analysis of other validation and verification activities conducted by the entities to confirm that they are not system level issues.

18. The CDM-AP considered summary information on the annual activity reports by DOEs for the period from July 2010 to June 2011. The synthesis report, prepared by the secretariat, will be submitted to the Board for its consideration at the sixty-fifth meeting.

19. The CDM-AP, responding to the request of the Board, initiated work on the improvement of consistency of the competence-related sections of the CDM accreditation standard. The CDM-AP agreed on the scope and timelines of the work, as contained in Annex 1 to this report. The scope is submitted to the Board for its consideration.

20. The scoping document proposes two phases for the revision. The first phase will focus on improvement of consistency and clarity of the requirements contained in chapter IV "Human resources

and competence", the second phase will include a substantial revision of the qualification-based requirements contained in Annex D "Technical areas and initial qualifications for validation and verification". The Board may consider requesting the CDM-AP to combine both phases into one revision.

V. Expert Resources

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

22. The CDM-AP considered the outcomes of the two training workshops for the CDM-AT experts, including a half day interaction of the CDM-AP with the lead assessors.

VI. Implementation of the CDM-AP workplan for 2011

23. The CDM-AP, responding to the request of the Board, reviewed the implementation of its workplan for 2011, as contained in Annex 1 to the report of the sixty-third meeting of the Board.

24. Since the beginning of 2011, 120 assessments have been initiated by the CDM-AP across all entities, in addition to the assessments that were initiated in 2010 and continued into 2011:

(a) 11 initial accreditations assessments;

(b) 16 re-accreditation assessments;

(c) 2 extension of accreditation scope assessments;

(d) 1 spot-check assessment;

(e) 25 regular surveillance assessments, including 12 assessments of central offices and 13 assessments of non-central sites;

(f) 55 performance assessments, including 34 of validation activities and 21 of verification activities;

(g) 10 additional focused desk review assessments to ensure compliance of the entities with provisions of the CDM accreditation standard, version 2.0/3.0.

25. In implementing its workplan for 2011, the CDM-AP:

(a) Considered new applications for accreditation, conducted relevant assessment activities and submitted recommendations for accreditation of new operational entities for consideration of the Board;

(b) Continuously monitored the compliance of DOEs with the CDM accreditation standard, preparing relevant assessment plans, as well as recommendations and notifications for consideration by the Board, through:

(i) Regular consideration of the results of the DOE performance monitoring;

(ii) Regular review of the assessment plans of individual DOEs;

(iii) Consideration of the applications for re-accreditation and conducting the relevant assessment activities;

(iv) Conducting regular surveillance assessments of the central offices and the non-central sites of DOEs;

(v) Conducting spot-checks of DOEs, as requested by the Board;

(c) Considered complaints and disputes from and against DOEs;

(d) Considered annual activity reports by the DOEs, updating requirements for such reports;

(e) Ensured consistent and efficient implementation of the CDM accreditation procedure, through review of the accreditation practices with regard to the performance assessments and the assessments of the non-central sites and development of a guidance document to support consistency of the decision-making process by the CDM-AP;

(f) Ensured consistent and efficient implementation of the CDM accreditation standard, through:

(i) Review of the accreditation application and assessment forms;

(ii) Review of the implementation of the CDM accreditation standard;

(iii) Consideration of requests for clarifications on the CDM accreditation standard;

(iv) Initial work on improvement of consistency of the competence-related sections of the CDM accreditation standard;

(g) Enhanced the capacity and consistency of the CDM-AT experts through:

(i) Development of a revised terms of reference (TOR) for the CDM-AT experts;

(ii) Qualification, performance monitoring and evaluation of the CDM-AT experts;

(iii) Review of the effectiveness of the training programme for the CDM-AT experts;

(iv) Review of the design, implementation and delivery of a specialized online learning programme for CDM-AT experts;

(h) Provided input to the development of broader policy issues, such as the procedure on the matter of liability of the DOEs for excess issuance of CERs;

(i) Conducted direct interaction with the Chair of the DOE/AIE Coordination Forum;

(j) Considered changes in the joint implementation accreditation process and worked on modalities and specific areas for a direct collaboration with the joint implementation accreditation panel.

26. The work on the following outputs, as outlined in the workplan, is still in progress with the final product expected to be delivered in early 2012:

(a) Guidance document to support consistency of the decision-making process by the CDM-AP;

(b) Revised TOR for the CDM-AT experts;

(c) Online training course for the CDM-AT experts.

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Annex

SCOPE AND TIMELINES FOR THE REVISION OF THE "CDM ACCREDITATION STANDARD FOR OPERATIONAL ENTITIES" (VERSION 03.0)

1. The clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board) at its sixty-third meeting requested the CDM Accreditation Panel (CDM-AP) to initiate work on the improvement of consistency of the competence-related sections of the "CDM accreditation standard for operational entities" (version 03.0) (hereinafter referred to as the Standard). The Board also requested the CDM-AP, in carrying out this task, to define the exact scope and the timeline of the work and inform to the Board at a future meeting.

2. At its fifty-seventh meeting, the CDM-AP considered the Board's request along with some preparatory work carried out by some CDM-AP members, and agreed to present the following two phases for the revision of the Standard, with the scope of revision and related timelines, for the Board's consideration and guidance.

Phase I

Scope of revision

Phase I will consist of improving the consistency and clarity of requirements related to human resources and competence, and will:

- Be limited to chapter IV "Human Resources and Competence" and chapter II "Introduction", which includes terms and definition;
- Involve moving/merging/deleting/reformulating some sections and paragraphs;
- Improve clarity on the application of Annex D;
- Improve the wording of some paragraphs;
- Incorporate, as appropriate, all clarifications issued by the Board and the CDM-AP to stakeholders and assessors;
- Consider outcomes of the analysis of non-conformities (NCs) raised in current and upcoming assessments of designated operational entities (DOEs) by CDM assessment teams (CDM-ATs).

Estimated timelines

The table that follows identifies the steps and estimated timelines related to Phase I, assuming that the Board confirms the revision's mandate at its sixty-fifth meeting.

Steps	Timeline
1. Secretariat conducts analysis of NCs and requests for clarifications, prepares analysis, and Draft 1 in consideration of the advance work done by the CDM-AP members	December 2011
2. CDM-AP reviews and provides comments on Draft 1	January 2012
3. Secretariat prepares Draft 2 based on CDM-AP's comments	January 2012 to February 2012
4. Public call for inputs	February 2012

Steps	Timeline
5. Secretariat prepares Draft 3 based on inputs from public call	February 2012
6. CDM-AP reviews Draft 3 and provides final comments	March 2012
7. Secretariat prepares final Draft based on CDM-AP's final comments	March 2012
8. Board considers final Draft revised Standard	April 2012

Phase II

Scope of revision

Phase II will consist of a substantial revision of the requirements related to human resources and competence. The current standard prescribes competency-based criteria (the demonstration of knowledge and skills) in the main body and qualification-based criteria (e.g. years of experience, education) in Annex D, thereby creating inconsistency in the requirements for competence and barriers to inducting competent validators and verifiers into the CDM system, particularly for new applicant entities. The revision would enhance the competence-based criteria, and therefore lead to a significant revision to Annex D. With this, the revision would increase the access of competent validators and verifiers to the CDM market.

Estimated timelines

The table that follows identifies the steps and estimated timelines related to Phase II, assuming that the Board confirms the revision's mandate at its sixty-fifth meeting.

Steps	Timeline
1. Secretariat develops Draft 1 based on CDM-AP's guidance	April 2012 to May 2012
2. CDM-AP reviews and provides comments on Draft 1	June 2012
3. Secretariat prepares Draft 2 based on CDM-AP's comments	July 2012
4. Stakeholder consultation (public call or workshop)	July to August 2012
5. Interaction with key stakeholders (CDM-ATs and DOEs)	September 2012 (1st or 2nd week)
6. Develop Draft 3 based on stakeholder comments	September 2012 (last week)
7. CDM-AP review of final draft	October 2012
8. Submission of final draft to the Board	November 2012