

Call for public inputs on draft Elaboration of CDM Accreditation Requirements

We would like to first thank the Secretariat and Accreditation Panel (CDM-AP) for considering DNV's comments on an earlier draft of the *Elaboration of CDM Accreditation Requirements* providing during a workshop between the Secretariat, CDM-AP members and DOEs in July 2008. DNV welcomes the Secretariat's and CDM-AP's work to further define the standard for accreditation of DOEs and agrees to the requirements included in the draft *Elaboration of CDM Accreditation Requirements*.

Below are some comments by DNV on the draft document of the *Elaboration of CDM Accreditation Requirements* as contained annex 1 of the 26th progress report of the CDM-AP and we hope that these comments may also be considered by the Secretariat and CDM-AP when finalising the *Elaboration of CDM Accreditation Requirements*.

Section III - Legal Issues (paragraphs 21-22)

DNV, like many other DOEs, has an organisational set up that involves different legal units in the countries where DNV is operating. However, all legal units are fully owned by one parent organisation and there is global governance in many aspects including a range of corporate procedures that apply across the whole organisation regardless of division of the organisation into different legal units.

The current section III on legal issues does in its current form not differentiate between legal entities within and fully owned by the same parent organisation and legal entities where there is only a contractual relationship but no organisational relationship.

We fully acknowledge that the accreditation can be given to one legal unit only and that this legal unit shall assume full responsibility for decision-making regarding validation, verification and certification and that there need to be due contractual arrangements when staff from other legal entities is utilised in validation and verification / certification work, which in most cases is a pre-requisite for the validation team to have the necessary competence on local circumstances to assess a CDM project.

Nonetheless, DNV suggests that section III on legal issues is to be revised to differentiate between legal entities within and fully owned by the same parent organisation and legal entities where there is only a contractual relationship but no organisational relationship. This differentiation should above all differentiate between these two in terms of being able to allocate different responsibilities to staff belonging to another legal unit than the accredited unit under due contractual arrangements. To have operational units in non-Annex I countries for CDM validation and verification/certification and employ significant staff in these countries is in our opinion crucial to ensure that we have the local and sectoral competence to adequately assess CDM projects.

The above mentioned differentiation also affects paragraph 28 and 77 of the *Elaboration of CDM Accreditation Requirements*.

Table – Suggested Framework for allowing the allocation of responsibilities

<i>Area of responsibility</i>	<i>Legal entities within and fully owned by the same parent organisation</i>	<i>Legal entities where there is only a contractual relationship but no organisational relationship</i>
Management review	No	No
Contract review	Yes	No
Signing of the CDM related contractual arrangements (*)	Yes	No
Supervision by senior executive of personnel carrying out validation and/or verification/certification	Yes	No
Validation reports / Verification & certification reports	Yes	Yes
Technical review (quality assurance)	Yes	No
Request for registration / issuance	No	No

* Contracts are signed with the accredited legal unit, but staff not belonging to this legal unit is authorised to sign such contracts under due contractual arrangements

Definition of technical review (paragraphs 33, 38, 41, 104-105)

In the current *Elaboration of CDM Accreditation Requirements* technical review is defined as a management function (paragraph 33 (a)(v) and 38 (g)) and is closely linked to decision making (paragraph 41 and 104-105). This definition of technical review does not fit the definition of technical review applied by DNV and as we understand also by other DOEs. Within DNV's validation and verification/certification process the technical review is a quality assurance and quality control (QA/QC) process executed by technical personnel and not management personnel.

Decision making on validation and verification/certification is, however, being carried out by a member of the management, based on the recommendations by the validation/verification team leader for a project and the confirmation by the technical reviewer having performed QA/QC for the same project.

Safeguarding impartiality (paragraph 162 d and 167 b/c/d)

We do not agree that having performance target with a specific number of projects to be validated/verified during a period of time represents a potential conflict of interest as stated in paragraph 162 (d) as long as such targets are not made dependent on positive validation opinions or certification statements but also counts negative validation opinions or negative certification statements.

Similarly, we also do not agree that former employees of project participants can not be employed when the DOE continues to validate or verify/certify project from the same project participant. As long as that employee does not work with projects from its previous employer this is not considered a conflict of interest.

Moreover, accredited calibration services carried out by related bodies to the DOE are not considered to represent any conflict of interest for the DOE doing validation or verification/certification.

Finally, an arrangement of a CDM project developer with one or several DOEs for validation of their projects does not impact impartiality as stated in the first sentence in paragraph 167 (d) as long as such an arrangement is not made dependent on positive validation opinion or certification statements but also count negative validation opinions or negative certification statements

Minor comments

Paragraph 19 should mention that the same DOE may carry out validation and verification/certification for the same small-scale project activity.

Paragraph 34 should emphasise that the validation / verification team as whole needs to have the listed understanding and knowledge and not necessarily each individual team member as described in paragraph 63.

Personal attributes and auditing skills may be added to the list included in paragraph 43.

Paragraph 68 proposes to split sectors into technical areas and that a sector expert is not qualified for all. It is not clear how this splitting in technical areas is defined and if this can be managed in an efficient way.

It is not practical to do as described in Paragraph 97-99 to determine the number of man-days for each component for each project under validation or verification/certification and document this. For practical purposes, the total number of days is estimated for a typical validation or verification/certification assignment based on current experience and this is corrected for additional man-days for complex methodologies and project activities.

Paragraph 107 (a) may not be necessary as all project being validated and verified/certified are already on the CDM web-page and can be made searchable on DOEs.

Paragraph 107 (b) is only considered relevant for project requesting registration, not while undergoing validations.

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