

Agenda item 4.2.

Paragraph 42 of the annotated agenda, Annex 11

Revision of CDM Accreditation Procedure

CDM EB 106

Virtual meeting, 11 – 13 and 27 – 29 May 2020



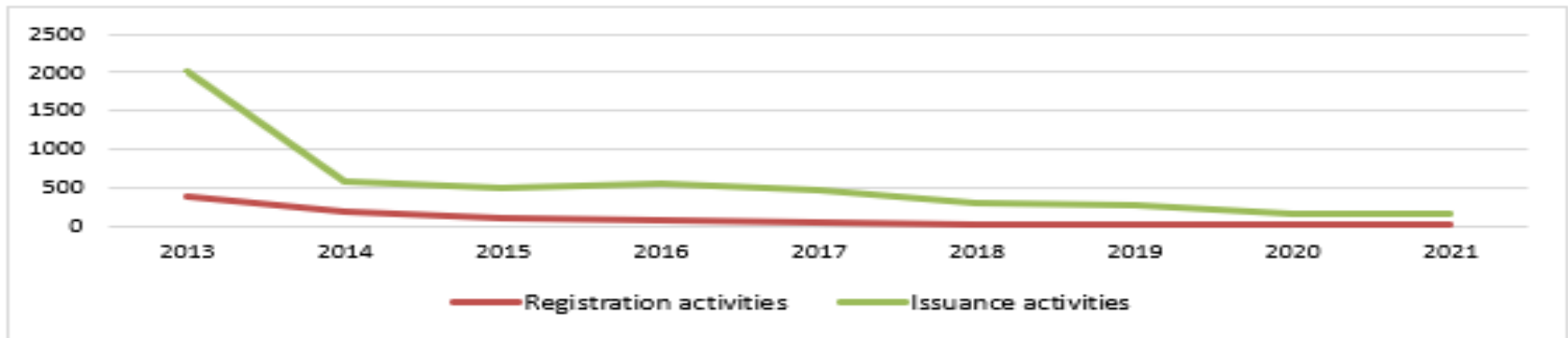
Procedural Background

- **CDM-EB 81:** The Board requested the secretariat to modify the CDM accreditation procedure (v11) to have a minimum of one mandatory performance assessment every 20 months. This modification was on a temporary basis, valid for two years. The Board, at EB86, adopted the CDM accreditation procedure (v12) and stipulated this provision in footnote 7 valid until 28 November 2016. The Board extended the validity at EB93 and EB98 by one year and two years respectively. The latest version of the CDM accreditation procedure (v14), footnote 7, states that the validity is up to 28 May 2020.
- **CDM-EB 106:** In this meeting, the Board is considering revised DOE performance monitoring procedure. Therefore, in the event this procedure is approved by the Board, relevant paragraphs in the CDM accreditation procedure need to be aligned with the revised DOE performance monitoring procedure.
- **CDM-AP 86:** The panel considered the query from 2018 CDM-AT workshop regarding the provisions of desk review in an initial accreditation assessment and agreed to change and provided feedback, which has been reflected in the draft revised CDM accreditation procedure. Earlier the panel had seen this query at AP 82 and agreed to visit the issue when revising the Accreditation Procedure.



(1) Revision in footnote 7 inserted at para 76(a): A minimum of 3 mandatory performance assessments in the five-year accreditation cycle for any DOE (1/2)

- Considering that:
 - (1) Under the current CDM market conditions, the number of submissions of requests for registration and issuance remains low;
 - (2) Trend in submissions for the period (Jan 2018 to Dec 2019) remained at the similar level since EB 98, at which the Board decided to extend the validity of footnote 7 for 2 years;
 - (3) The number of submissions forecasted in the “CDM two-year business and management plan 2020–2021” is lower than the volume forecasted in the “CDM two-year business and management plan 2018–2019”.



- It is proposed that the validity of footnote 7 be extended for two years (i.e. up to 28 May 2022) with a view to reviewing this matter at the first Board meeting in 2022.



(1) Revision in footnote 7 inserted at para 76(a): A minimum of 3 mandatory performance assessments in the five-year accreditation cycle for any DOE (2/2)

- Footnote 7:

At its ~~ninety-eighth~~ 106th meeting, the Board agreed to have, after applying a risk-based approach, a minimum of three (3) mandatory performance assessments, reasonably spaced along with the regular surveillance, in the five-year accreditation cycle for any DOE. This modification is on a temporary basis, valid until 28 May 2022.



(2) Consistency with the provision in the revised DOE performance monitoring procedure (1/4)

- Paragraph 21:

The Board may decide to conduct a spot-check of a DOE at any time during the accreditation term of the DOE. In addition, the CDM-AP may initiate a spot-check of a DOE in accordance with the “Procedure: **onp** Performance monitoring of designated operational entities” (CDM-EB58-A01-PROC). The purpose of a spot-check is to assess whether a DOE still meets one or more specific CDM accreditation requirements because of a specific concern brought up to the Board regarding the compliance of the DOE with CDM accreditation requirements or because of inadequate performance of the DOE monitored through the “Procedure: **onp** Performance monitoring of designated operational entities” (CDM-EB58-A01-PROC). A spot-check may include a desk review, an on-site assessment at any office of the DOE and outsourced entities where the validation and/or verification/certification functions of the DOE are performed, and/or an assessment at the site of the CDM project activity or programme of activities (PoA) being validated or verified/certified.



(2) Consistency with the provision in the revised DOE performance monitoring procedure (2/4)

- Paragraph 76 (c):

Addition or reduction of the number of performance assessments based on the output of the “Procedure: ~~on~~ Performance monitoring of designated operational entities” (CDM-EB58-A01-PROC), by:

- (i) One additional performance assessment on validation or verification/certification activity if the indicator I_2 is in the yellow zone for the registration or issuance process, respectively, for ~~three~~ ~~two~~ consecutive monitoring periods;
- (ii) One less performance assessment on validation or verification/certification activity if the indicator I_2 is in the green zone for the registration or issuance process, respectively, for four consecutive monitoring periods. This reduction in the number of performance assessments shall be done only from those added in accordance with paragraph 76(bi) above.



(2) Consistency with the provision in the revised DOE performance monitoring procedure (3/4)

- Paragraph 182 (b):

Information received from a third party on the possible inadequate performance of **the** DOE in its validation or verification/certification activities as well as on any changes which may significantly impair the compliance of the DOE with CDM accreditation requirements, such as changes in ownership, organizational structure, internal policies and procedures, resources and personnel;

- Paragraph 186:

The CDM-AP shall initiate a spot-check of a DOE if its performance on validation or verification/certification activities as monitored through the implementation of the “Procedure: **p**Performance monitoring of designated operational entities” (CDM-EB58-A01-PROC) declines, as the **secondfinal** version of a monitoring report prepared in accordance with the procedure shows that the DOE is in the red zone for the indicators **I₂ or I₃ in either registration or issuance process.**



(2) Consistency with the provision in the revised DOE performance monitoring procedure (4/4)

- Paragraph 187:

Notwithstanding the provision in paragraph 186 above, the CDM-AP may not initiate a spot-check of a DOE that has reached the red zone of indicators **I₂** or **I₃** if the following two conditions are met:

- Paragraph 188:

If the CDM-AP initiates a spot-check of a DOE in accordance with paragraph 186 above, it shall agree on the scope of the spot-check and inform the Board of the initiation of the spot-check and the scope. The scope shall be based on the information gathered in the implementation of the “Procedure: **on—pP** performance monitoring of designated operational entities” (CDM-EB58-A01-PROC).



(3) Additional round of desk review in initial accreditation assessment (1/1)

- Background: Para. 46 requires the AT to prepare a final desk review report (DR) regardless of whether all required documentation has been provided and proceed with the on-site assessment. The AT has to proceed with the on-site assessment, even if there are a large number of missing documents identified, which indicates AE is not ready for the on-site assessment. It is proposed CDM-AP may decide whether to seek an additional round of DR after completion of the final DR stage.

- Paragraph 46:

No later than 30 days after sending the draft desk review report to the AE, the CDM-AT shall prepare a final desk review report, ~~regardless of whether all requested documentation has been provided,~~ If the CDM-AT considers the additional and/or amended documentation adequate, or the additional and/or amended documentation inadequate or there are still missing documents but they can be assessed during the on-site assessment, the CDM-AT shall send it to the AE and proceed with the on-site assessment in accordance with paragraph 47 below. ~~If there is still some missing, unclear and/or inadequate information, the final desk review report shall identify it and request the AE to gather and/or clarify the information and present it at the on-site assessment.~~ If the CDM-AT considers that the additional and/or amended documentation is not adequate or there are still missing documents and they need to be addressed or submitted prior to the on-site assessment, the CDM-AT shall submit a final desk review report to the CDM-AP requesting to consider allowing the CDM-AT to conduct an additional round of desk review.

Corrections (1/2)

- Table 1 of the appendix 1:

Table 1. Required documents for assessments for initial accreditation, extension of sectoral scopes, regular on-site surveillance and reaccreditation

Document	Initial accreditation and extension of sectoral scopes	Regular on-site surveillance	Reaccreditation
9. Administrative procedures including safeguarding impartiality, information management, document control, record control, internal audit, corrective and preventive actions and management review	X	X	X



- Paragraph 129:

If the DOE objects to the selection of a CDM-AT member, the secretariat shall consider modifying the composition of the CDM-AT within five days. If the secretariat considers the objection unjustified, or the DOE does not object to the selection of any CDM-AT member within the time frame referred to in paragraph ~~128-127~~ above, the composition of the CDM-AT shall be deemed accepted. If the secretariat considers the objection justified and replaces a CDM-AT member, it shall inform the DOE of the new CDM-AT member within the same five days. After this, the same steps in paragraphs ~~128-127~~ and 129 above shall ~~be~~ repeated until the composition of the CDM-AT is deemed accepted.



Recommendation to the Board

- It is proposed that the revised CDM accreditation procedure will be effective upon adoption without any subsequent work.
- The secretariat recommends that the Board adopt the revised CDM accreditation procedure (version 15.0).



Thank you



Agenda item 4.2.

Paragraph 42 of the annotated agenda, Annex 11