

Annex 2

Procedural guidelines for accrediting operational entities by the executive board of the clean development mechanism (CDM)

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A. Introduction

1. In accordance with the modalities and procedures for the CDM (CDM M&P)¹, the executive board (EB) of the clean development mechanism (CDM) shall accredit operational entities and recommend the designation of such entities to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP)².
2. This document contains the procedural guidelines to operationalize the accreditation of operational entities under the executive board (hereinafter referred to as “CDM accreditation procedure”) which have 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 EB may revise this CDM accreditation procedure in the future. The EB shall inform designated operational entities of any revisions and the date at which they take effect, and publish the revised document on the UNFCCC CDM web site.
3. Figure 1 below provides the scheme for the CDM accreditation procedure. The responsibility of each actor in this scheme, as elaborated in section C below, is as follows:
 - 3.1. The **COP/MOP** designates operational entities based on a recommendation by the EB.
 - 3.2. The **EB** takes the decision whether or not to accredit an applicant entity³ and recommend it for designation.⁴
 - 3.3. The **CDM accreditation panel (CDM-AP)** is responsible for preparing a recommendation to the EB regarding the accreditation of an applicant entity based on assessment work conducted by a CDM accreditation team (CDM-AT). The CDM-AP provides guidance to and approves the work plan of each CDM-AT.
 - 3.4. A **CDM accreditation team (CDM-AT)**, under the guidance of the CDM-AP, undertakes the detailed assessment of an applicant entity, identifies non-conformities and reports to the CDM-AP. A CDM-AT is established by the CDM-AP which draws members from a roster of experts established by the EB for this purpose.
 - 3.5. The **secretariat** supports the implementation of the CDM accreditation procedure.
4. The assessment of an application consists of three main elements:
 - 4.1. **Desk review** by members of a CDM-AT of the documentation submitted by an applicant entity;
 - 4.2. **On-site assessment** on the premises of the applicant entity by a CDM-AT. The purpose of this assessment is to confirm whether the operational capacity corresponds to the documentation provided by the applicant entity. The assessment is to provide the assurance that the applicant entity has the potential to perform the tasks related to the scope of accreditation for which it has applied in the same manner and quality as already designated operational entities.

¹ See decision 17/CP.7 contained in the report of the seventh session of the Conference of the Parties (FCCC/CP/2002/13/Add.1 available on the UNFCCC CDM (<http://unfccc.int/cdm>) or UNFCCC (<http://unfccc.int>) web site).

² In accordance with paragraph 2 of decision 17/CP.7, the Conference of the Parties shall assume the responsibilities of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol as set out in the CDM M&P.

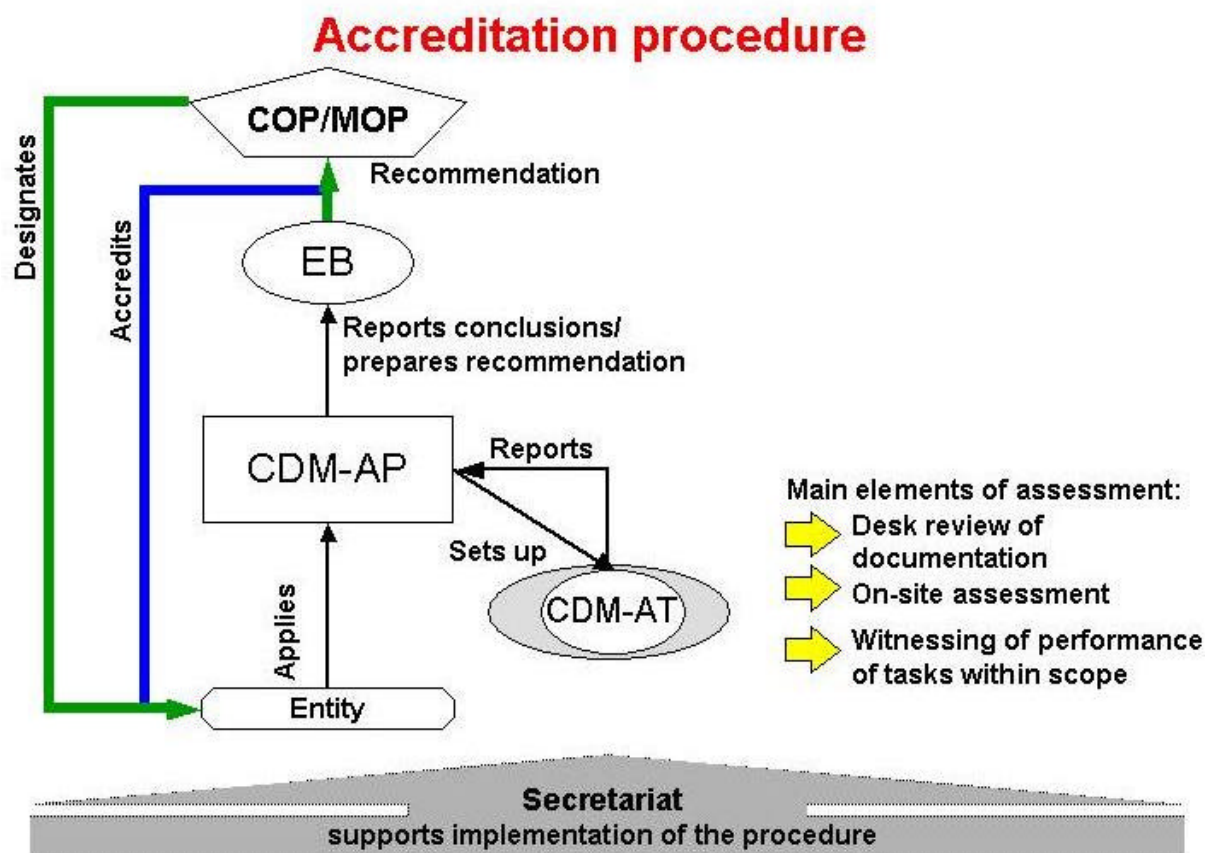
³ The terms used in this document are: “Entity” = prior to application; “applicant entity”= once application has been duly submitted/subject to a procedure contained in this document; “designated operational entity”= after designation by COP/MOP; bearing in mind footnote 2 to paragraph 1 above.

⁴ Please also refer to paragraph 6 (b) of decision 17/CP.7.

4.3. **Witnessing** by the CDM-AT of the performance of tasks by an applicant entity which relate to the scope of accreditation for which it has applied (for more information on scope of accreditation see section B). Qualified members of the CDM-AT carry out this witnessing function. The CDM-AP decides whether more than one witnessing per scope of accreditation is required. A witnessing activity can be carried out in conjunction with an on-site assessment of an applicant entity, if applicable.

5. In accordance with paragraph 20 (e) of the CDM M&P, the EB shall conduct spot-checking at any time with a view to assess whether a designated operational entity still meets accreditation requirements. A “**spot-check**” is an unscheduled assessment activity of a designated operational entity involving the CDM-AP and CDM-AT on the basis of which The CDM-AP prepares a recommendation to the EB. The EB takes a final decision on the status of accreditation of a designated operational entity which has undergone a “spot-check”(for more information see section C.2).

Figure 1



B. Scope of accreditation

B.1. Definition of scope of accreditation

6. A scope of accreditation sets the limits for work which a designated operational entity may perform under the CDM with regard to validation as well as verification and certification related to an

identified sector and determines the requirements it has to meet in addition to those determined in Appendix A to the CDM M&P (Referred to hereinafter as “sectoral scope”⁵).

7. An entity may apply to be accredited for at least one “sectoral scope”.
8. A designated operational entity may apply to be accredited for additional “sectoral scope (s)”.

B.2. Procedure to develop the list of “sectoral scopes” of accreditation

9. In accordance with paragraph 5 (f) (ii) of the CDM M&P, the executive board will establish a list of “sectoral scopes” of accreditation defining, for each “sectoral scope”, the standards/criteria to be met in addition to those determined in Appendix A of the CDM M&P. The list will be available electronically on the UNFCCC CDM web site under the section “designated operational entities”.
10. In addition, an entity applying for accreditation may propose the definition for “sectoral scope”.
11. An entity that wishes to propose a “sectoral scope” shall submit, together with its application, a brief description of the proposed “sectoral scope” including a list of proposed requirements which an entity would need to meet in addition to those determined in Appendix A of the CDM M&P.
12. At the meeting at which the CDM-AP considers the application file (see section “C.1. Accreditation”), it shall, prior to considering the application by an applicant entity:
 - 12.1. Consider any “sectoral scope” proposed by the applicant entity;
 - 12.2. Define, taking into account the possibility of revising existing scope(s), new “sectoral scope(s)”, if applicable.
13. If the CDM-AP defines a new “sectoral scope” without modifications to the proposal made by the applicant entity, it proceeds with the CDM accreditation procedure (see section “C.1. Accreditation”) by considering the application file. A new “sectoral scope” is registered in the list of “sectoral scopes”.
14. If the CDM-AP has modified a “sectoral scope” proposed by the applicant entity, any new “sectoral scope” is registered in the list of “sectoral scopes” and the CDM accreditation procedure changed as follows:
 - 14.1. The CDM-AP considers the application file in accordance with the CDM accreditation procedure and provides, in addition to what is required under paragraph 21 of the CDM accreditation procedure, a list of additional documentation as required in function of the new “sectoral scope”, if required.
 - 14.2. The entity is informed of:
 - 14.2.a. The new “sectoral scope”;
 - 14.2.b. The additional documentation required, if applicable;
 - 14.2.c. The composition of the CDM-AT.
15. In accordance with the accreditation procedure, the entity has six (6) working days to reply in writing whether it wishes to proceed with its application for the new “sectoral scope” or withdraw its application.

⁵ “Sectoral scoping” is a measure to operationalize the requirements contained in paragraphs 1 (b) and 1 (f) (vi) of the CDM M&P and to provide the potential for wider geographical distribution of designated operational entities. The development of “sectoral scopes” is guided by the sector/source categories contained in Annex A of the Kyoto Protocol.

16. If it wishes to proceed with its application, it shall also inform, within the same deadline whether it objects or not to the composition of the CDM-AT in accordance with the provisions of the accreditation procedure. The accreditation procedure (see section C.1) is implemented thereafter.

C. Procedures for accreditation, unscheduled surveillance, re-accreditation and notification of changes

C.1. Accreditation

17. The accreditation procedure comprises⁶ the following main steps:
- 17.1. The application for accreditation by an entity;
 - 17.2. The consideration of the application file by the CDM-AP;
 - 17.3. The desk review by a CDM-AT of the documentation provided by the applicant entity;
 - 17.4. On-site assessment by the CDM-AT of the premises of the applicant entity;
 - 17.5. At least one witnessing activity by the CDM-AT. Where possible, one witnessing activity should be combined with the on-site assessment of the premises of the applicant entity;
 - 17.6. The reporting of the CDM-AT to the CDM-AP;
 - 17.7. The recommendation on accreditation by the CDM-AP to the EB;
 - 17.8. The decision on accreditation and, therefore, recommendation for designation to the COP/MOP, by the EB⁷.
18. An applicant entity shall submit to the secretariat an application form (F-CDM-A⁸) and all the documentation specified in the annex "Application documents". Unless otherwise stipulated in the CDM accreditation procedure, all information, communications and meetings are confidential.
19. The secretariat shall start processing an application upon receipt of the non-reimbursable application fee. As the costs of accreditation are to be borne by the entity (see annex "Fees"), the related step in the accreditation procedure will only be implemented once payments are received. Applications will be processed in the order in which the application fees are received.
20. The secretariat checks the completeness of documents and information submitted. If the documentation is found incomplete, the secretariat will inform the applicant entity of the missing elements it has identified. The accreditation procedure is continued once all documentation is received. The applicant entity has the obligation to inform the CDM-AP in writing of any change pertaining to the information submitted and/or required for accreditation.
21. If the application documents are complete, the secretariat shall prepare an application file for the CDM-AP. The file shall contain:
- 21.1. All application documents;
 - 21.2. Suggestions with regard to:
 - 21.2.a. A list of possible candidates for the CDM-AT⁹ (identifying those that qualify as team leaders);

⁶ The accreditation procedure shall be implemented using, to the extent possible, teleconferencing and electronic communication facilities.

⁷ See footnote 4 above.

⁸ The list of forms is available in the annex "Forms used in the CDM accreditation process". The application form is available on the UNFCCC CDM web site in the section "Designated operational entities" or can be requested from the secretariat.

21.2.b. A draft of a work plan for the CDM-AT.

22. The CDM-AP shall:

- 22.1. Choose the members of the CDM-AT and identify the CDM-AT team leader. A CDM-AT consists of at least three members, among them the team leader. The size of a CDM-AT for a particular application case may be larger depending on the size of the applicant entity, the documentation submitted and the “sectoral scope(s)” of accreditation applied for;
- 22.2. Review the application and, as appropriate, identify particular issues for the assessment;
- 22.3. Review and revise, as necessary, the draft work plan for the CDM-AT ensuring that it reflects the particular issues for the assessment.

23. The CDM-AP informs the applicant entity of the composition of the CDM-AT. The applicant entity may object, in writing to the CDM-AP within six (6) working days, to members of the CDM-AT identifying an alleged conflict of interest of the CDM-AT member(s). In case the CDM-AP finds the objection substantiated, it identifies replacement(s) for the CDM-AT member(s) in question.

24. Each CDM-AT member has to sign the confidentiality and non-disclosure agreement (Form F-CDM-CA).

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

- 25.1. All information related to the application;
- 25.2. The conclusions of its review of the application;
- 25.3. The revised draft work plan for the CDM-AT.

26. The CDM-AT shall, with the assistance of the secretariat:

- 26.1. Undertake the desk review of the application and prepare the desk review report (F-CDM-DR);
- 26.2. Identify the need of and, accordingly, the tasks requiring witnessing activities bearing in mind that at least one (1) witnessing activity is required per application;
- 26.3. Review and revise, as necessary, the details of the work plan, in particular with regard to the extent and detail of the on-site assessment and each witnessing activity.

27. The CDM-AP approves the final work plan of the CDM-AT, in particular with regard to the number of witnessing activities, before the work plan is implemented.

28. After approval by the CDM-AP, the secretariat shall inform the applicant entity of the work plan for the on-site assessment and witnessing.

29. Upon receipt of the work plan, the applicant entity shall identify within six (6) working days, in writing, opportunities for witnessing.

30. The CDM-AT decides on whether the opportunities identified are appropriate and, if so, identifies, with the help of the secretariat, the dates for the on-site assessment and the witnessing. In doing so, it shall bear in mind that the on-site assessment should be combined with a witnessing activity, if applicable.

31. If the applicant entity does not identify any appropriate witnessing opportunity or identifies an insufficient number thereof, the CDM-AT shall inform the applicant entity that it proceeds with the

⁹ In order to strengthen local capacities in Parties not included in Annex I, an additional representative of a national accreditation body relevant to the field and/or a national expert may be invited to join the activities of the CDM-AT as an observer, at his/her cost and bound by the same confidentiality and non-disclosure agreement applicable to CDM-AT members. The modalities for implementing this provision will need to be considered by the executive board in due course.

on-site assessment unless the applicant entity requests in writing, within six (6) working days, a delay to identify an appropriate witnessing opportunity that could be combined with the on-site assessment. If the applicant entity does not make such an identification within three (3) months after the request for the delay, it shall indicate whether it wishes the on-site assessment to be undertaken or whether it wishes to withdraw its application.

32. The on-site assessment consists of¹⁰ the following steps:

32.1. An opening meeting, chaired by the CDM-AT team leader, between the accreditation team, the applicant entity's management, managers of the units to be involved in the assessment and the person identified by the applicant entity as the official contact person for the CDM-AT. In this meeting, the assessment team shall explain its assessment activities;

32.2. An assessment by the CDM-AT of the operational capacity of the applicant entity against the requirements:

32.2.a. Contained in the modalities and procedures of the CDM¹¹;

32.2.b. Related to the particular "sectoral scope(s)" for which the applicant entity applied;

32.3. A witnessing activity, if applicable;

32.4. A closing meeting, before the end of the on-site assessment, between the CDM-AT and the applicant entity's management to inform the applicant entity of the details of its assessment, at this point in time, regarding conformity with accreditation requirements, basis for non-conformities and any additional comments. The applicant entity shall have the opportunity to seek clarification and ask questions, if any. The CDM-AT leader shall remind the representatives of the applicant entity that, in accordance with the CDM accreditation procedure:

32.4.a. The applicant entity has opportunities to provide comments at later steps in the CDM accreditation procedure;

32.4.b. The final recommendation to the EB will be made by the CDM-AP;

32.4.c. The applicant entity may appeal against the recommendation by the CDM-AP.

33. If, after completion of the on-site assessment, witnessing activities remain to be carried out by the CDM-AT, the CDM-AP shall decide whether to issue a letter to the applicant entity indicating the successful completion of the desk review and the on-site assessment in accordance with the modifications contained in section C.5 below.

34. Each witnessing activity¹² identified in the work plan shall be carried out by a minimum of two suitably qualified members of the CDM-AT who shall witness in person an applicant entity performing the functions of validation and/or verification and certification relevant to the "sectoral scope(s)" of accreditation. Each CDM-AT member shall prepare a witnessing report at the end of each witnessing activity which shall include an evaluation of the performance of tasks by the applicant entity with regard to (a) the "sectoral scope" sought and (b) its knowledge of requirements for a CDM project activity with regard to the relevant step in the project cycle under the CDM M&P.

35. The CDM-AT may determine, in the context of the on-site assessment or approved witnessing activities, as applicable, the need for additional witnessing activities not foreseen in its work plan. In this case, it shall prepare a revision of its approved work plan and submit it to the CDM-AP. After approval of the revised work plan by the CDM-AP, the provisions of the accreditation procedure for identifying witnessing opportunities apply.

¹⁰ Forms to be used for the on-site assessment are: F-CDM-OR, F-CDM-NC, F-CDM-MA, F-CDM-MAR

¹¹ Contained in Appendix A to the Annex to the decision 17/CP.7.

¹² Forms used in a witnessing activity are: F-CDM-WR, F-CDM-NC, F-CDM-MA, F-CDM-MAR

36. The CDM-AT shall, after the last witnessing activity is completed, finalize, within six (6) weeks, the preliminary report (F-CDM-PR). Within this period, the applicant entity shall have six (6) working days after receipt of the draft of the preliminary report to ask for clarifications and/or to comment on the report. The preliminary report shall contain as a minimum:
- 36.1. The date(s) of the assessment(s);
 - 36.2. The name(s) of the CDM-AT members responsible for the report;
 - 36.3. The name(s) and address(es) of all the relevant applicant entity sites assessed (on-site assessment);
 - 36.4. The “sectoral scope(s)” assessed;
 - 36.5. An assessment of the competence and experience of the applicant entity in the “sectoral scope(s)” assessed, including the names of key staff encountered and their qualifications, experience and authority;
 - 36.6. The adequacy of the internal organization and procedures adopted by the applicant entity ensuring confidence in the quality of its services;
 - 36.7. Description of the validation and/or verification and certification activities witnessed;
 - 36.8. A description of the conformity of the applicant entity with the accreditation requirements, in particular with regard to key issues identified by the CDM-AP and, where applicable, any useful comparisons with the results of previous assessments of the applicant entity;
 - 36.9. An identification and description of non-conformities with requirements related to the scope of accreditation.
37. The CDM-AT shall make the preliminary report available to the applicant entity upon completion.
38. The applicant entity shall:
- 38.1. Consider the preliminary report of the CDM-AT;
 - 38.2. Have 30 days to identify corrective actions to resolve non-conformities, including timeframes for each action, or to withdraw its application. All actions identified shall be completed within six months. If actions are not completed within six months, the application for accreditation is automatically rejected. The applicant entity may submit a new application for accreditation.
39. The CDM-AT shall verify the implementation of all the actions to address non-conformities and prepare, with the assistance of the secretariat, a draft final report.
40. The applicant entity shall have the opportunity to comment within six (6) working days on the draft final report.
41. The CDM-AT shall submit its final report (F-CDM-FR) to the CDM-AP. The final report shall contain, as a minimum, the following:
- 41.1. The preliminary report;
 - 41.2. A description of the actions taken to correct non-conformities identified in the preliminary report;
 - 41.3. Comments of the applicant entity on the draft final report and a description of how they have been addressed by the CDM-AT;
 - 41.4. Conclusions regarding accreditation for consideration by the CDM-AP.
42. The CDM-AP shall consider the final report by the CDM-AT and submit to the EB:
- 42.1. The final report by the CDM-AT;

- 42.2. Its conclusions regarding accreditation for consideration by the EB;
- 42.3. Its recommendation as to whether or not to accredit the applicant entity.
- 43. The CDM-AP informs the applicant entity of its recommendation. The applicant entity shall have six (6) working days to appeal against this recommendation or to withdraw its application. An appeal shall be addressed to the EB in accordance with the provisions contained in the annex “Appeals procedure”.
- 44. The information submitted by the CDM-AP to the EB regarding accreditation of an applicant entity is to be considered as confidential.
- 45. The EB considers the submission by the CDM-AP in a closed session at its next meeting. The EB rules of procedure regarding availability of documents prior to its meetings apply.
- 46. The EB shall decide whether to:
 - 46.1. Accredit the applicant entity by recommending it to COP/MOP for designation as an operational entity specifying the “sectoral scope”; or
 - 46.2. Reject the application and provide an explanation for the rejection.
- 47. The EB informs the applicant entity of its decision and makes the decision publicly available in accordance with the rules of procedure of the EB.
- 48. The designation¹³ for any “sectoral scope” shall be valid for three (3) years from the date of designation by the COP/MOP. No regular surveillance shall be undertaken within this three-year-period. Unscheduled surveillance (“spot-check”) shall, however, be undertaken in accordance with the provisions contained in section “C.2. Unscheduled surveillance (“spot-check”)”.
- 49. A designated operational entity shall have the opportunity for re-accreditation in accordance with the provisions of section “C.3. Re-accreditation”.

C.2. Unscheduled surveillance (“spot-check”)

- 50. The EB shall, in accordance with the CDM M&P, conduct “spot-check” activities (i.e. unscheduled surveillance) of designated operational entities at any time.
- 51. The consideration by the EB to conduct a “spot-check” of a designated operational entity may be triggered by, *inter alia*:
 - 51.1. A request for review submitted in accordance with the relevant provisions contained in the CDM M&P with regard to the registration of a project activity or the issuance of CERs;
 - 51.2. Information received on changes which significantly affect the quality of a designated operational entity’s operations and performance, such as regarding ownership, organizational structure, internal policies and procedures, technical expertise of personnel (in accordance with section “C.6. Notification on change of status of an DOE”);
 - 51.3. A written, substantiated complaint regarding the alleged failure of a designated operational entity to comply with the requirements of its accreditation submitted to the EB by:
 - 51.3.a. Another designated operational entity;
 - 51.3.b. An NGO accredited with UNFCCC;
 - 51.3.c. A stakeholder¹⁴.

¹³ The validity of accreditation shall extend to three years after the date of designation by COP/MOP.

¹⁴ In accordance with paragraph 1(e) of the CDM M&P, stakeholders means the public, including individuals, groups or communities affected, or likely to be affected, by the proposed clean development mechanism project activity.

52. Once the EB has decided to conduct a “spot-check”, the secretariat informs the designated operational entity concerned and the CDM-AP. The designated operational entity pays for the cost of a “spot-check” in accordance with the annex “Fees”.
53. The CDM-AP shall consider the case and
 - 53.1. Establish a CDM-AT
 - 53.2. Conclude, depending on the gravity of the case, whether:
 - 53.2.a. To recommend to the EB the immediate suspension, pending the result of the “spot check”, of the accreditation of the designated operational entity
 - 53.2.b. To agree an exception to the procedure such as a limited on-site assessment and/or witnessing activity by the CDM-AT or limitations of the assessment to particular requirements related to the scope of accreditation put in question.
54. “Spot-check” activities shall be carried out in accordance with the accreditation procedure (see section C.1).
55. In accordance with the accreditation procedure, the EB shall decide, based on the documents submitted by the CDM-AP, whether to:
 - 55.1. Confirm the accreditation and designation of the designated operational entity;
 - 55.2. Confirm its suspension and recommend to COP/MOP either the suspension or the withdrawal of designation of an entity (in accordance with paragraph 5 (f) (i) of the CDM M&P). In accordance with the provisions of paragraph 21 of the CDM M&P, the suspension or the withdrawal is with immediate effect and remains in effect pending a final decision by the COP/MOP.
56. The secretariat shall inform the designated operational entity of the decision by the executive board. The secretariat shall update relevant records and publicly available lists, as appropriate.

C.3. Re-accreditation

57. The secretariat shall inform a designated operational entity in due course of the date at which a “sectoral scope” of accreditation is expiring and request the designated operational entity to confirm whether it wishes to apply for re-accreditation.
58. The designated operational entity shall submit to the secretariat the documentation specified in the annex “Application documents”.
59. A designated operational entity may request re-accreditation at an earlier time to group the re-accreditation or accreditation of several “sectoral scope(s)” into one re-accreditation process.
60. After submission of the application documents, the CDM accreditation procedures apply with a view to the executive board making a decision regarding recommending re-designation, suspension, withdrawal, reduction of “sectoral scope(s)” of a designated operational entity based on the recommendation of the CDM-AP.

C.4. Accreditation for additional “sectoral scope(s)”

61. A designated operational entity may submit an application to be accredited for additional “sectoral scope(s)” at any time. The procedure for accreditation described in the section “Accreditation” applies. The annex “Application documents” specifies the documentation to be submitted by a designated operational entity requesting an additional “sectoral scope”.
62. The designated operational entity applying to be accredited for additional “sectoral scope(s)” has the opportunity to request, at the same time, the re-accreditation for other “sectoral scope(s)” for which it

is already accredited. This may enable the designated operational entity to streamline its re-accreditation schedule and reduce costs for re-accreditation.

63. The work of the CDM-AP and the CDM-AT shall be designed in a way to minimize costs by taking into consideration, as applicable, those “sectoral scope(s)” for which the applicant operational entity is already designated as well as recent work of the CDM-AP and/or CDM-AT with the same entity.
64. The recommendation of the CDM-AP to the EB, referred to in the procedure for accreditation, shall distinguish between accreditation for additional “sectoral scope(s)” and, if applicable, re-accreditation.

C.5. Procedure in case a letter is to be issued indicating the successful completion of the desk review and the on-site assessment

65. If further witnessing activities remain to be undertaken by the CDM-AT once the desk review and the on-site assessment of an applicant entity are completed, the CDM-AP shall decide whether to issue a letter to the applicant entity (referred to as “indicative letter”) stating that:
 - 65.1. The recommendation by the CDM-AP to the executive board to accredit the applicant entity, for the “sectoral scope” it is applying for, is depending on the successful completion of remaining witnessing activities;
 - 65.2. The validation and/or verification and certification activities witnessed and considered to have been successfully performed during these remaining witnessing activities shall be considered recognized by the EB once the EB accredits the applicant entity.
66. For this purpose, the CDM accreditation procedure (see section C.1) is modified as described below.
67. The procedural steps in paragraph 36 to 42 apply with the following modifications:
 - 67.1. The draft of the preliminary report (F-CDM-PR), referred to in paragraph 36, shall be limited to aspects related to the desk review and the on-site assessment and not include any aspects related to a witnessing activity.
 - 67.2. Instead of considering a recommendation to the EB regarding accreditation of the applicant entity (see paragraph 42), the CDM-AP shall solely decide whether an “indicative letter” is to be issued to the applicant entity.
68. The CDM-AP shall inform the EB and the applicant entity of its decision and, if applicable, issue the “indicative letter”.
69. The applicant entity may appeal against this decision by the CDM-AP in accordance with the provisions in the annex “Appeals procedure”.
70. The secretariat maintains a public record of “indicative letters” issued.
71. While the above procedure for issuing an “indicative letter” is under way, any remaining witnessing activities can be initiated and carried out in accordance with the procedural steps contained in paragraph 34 to 42 with the following modifications applying:
 - 71.1. The draft of the preliminary report (F-CDM-PR), referred to in paragraph 36, shall be limited to aspects related to witnessing;
 - 71.2. The final report to the CDM-AP referred to in paragraph 41 shall contain:
 - 71.2.a. The preliminary report;
 - 71.2.b. A description of actions taken by the applicant entity to correct non-conformities identified;

71.2.c. Comments of the applicant entity on the draft final report limited to aspects related to witnessing and how they have been addressed;

71.2.d. Conclusions by the CDM-AT regarding accreditation for consideration by the CDM-AP.

71.3. The documents to be submitted to the EB by the CDM-AP, in accordance with paragraph 42, are as follows:

71.3.a. The final report by the CDM-AT;

71.3.b. The documentation supporting its decision to issue the “indicative letter”;

71.3.c. Its conclusions regarding accreditation for consideration by the EB;

71.3.d. Its recommendation as to whether or not to accredit the applicant entity.

72. Paragraphs 43 to 49 in section C.1 apply without modification.

C.6. *Notification on change of status of a DOE*

73. A designated operational entity shall inform the secretariat, within ten (10) working days, of significant changes affecting its:

73.1. Legal, commercial or organizational status, e.g. ownership, partnerships;

73.2. Key professional staff;

73.3. Management system;

73.4. Compliance with accreditation requirements.

D. Annexes

D.1. Annex: "Application documents"

1. In case of an application for accreditation, the applicant entity shall provide the following documents/written information in eight (8) copies to the secretariat. Documents have to be submitted in an official English version as the working language of the executive board is English:
 - 1.1. Documentation on its legal entity status (either a domestic legal entity or an international organization) (*CDM M&P*¹⁵);
 - 1.2. 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 (*CDM M&P*);
 - 1.3. An organizational chart showing lines of authority, responsibility and allocation of functions (*CDM M&P*);
 - 1.4. Its quality assurance policy and procedures (*CDM M&P*), including a procedures manual on how the entity conducts validation as well as verification and certification activities;
 - 1.5. Administrative procedures including document control (*CDM M&P*);
 - 1.6. Its policy and procedures for the recruitment and training of operational entity personnel, for ensuring their competence for all necessary validation as well as verification and certification functions, and for monitoring their performance (*CDM M&P*);
 - 1.7. Its procedures for handling complaints, appeals and disputes (*CDM M&P*);
 - 1.8. Particular documents related to a "sectoral scope" relevant to its application. If a new "sectoral scope" is proposed, all relevant information that would permit the determination of such a new "sectoral scope";
 - 1.9. A declaration that the applicant entity has not pending any judicial process for malpractice, fraud and/or other activity incompatible with its functions as an accredited independent entity (*CDM M&P*);
 - 1.10. 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 (*CDM M&P*):
 - 1.10.a. 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 (*CDM M&P*);
 - 1.10.b. A clear definition of links with other parts of the organization, demonstrating that no conflict of interest exists (*CDM M&P*);
 - 1.10.c. A demonstration that no conflict of interest exists between its functions as an operational entity 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 applicant operational entity or from the activities of related bodies (*CDM M&P*);
 - 1.10.d. 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

¹⁵ Elements in this list that are taken from the CDM M&P are marked accordingly.

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 (*CDM M&P*).

2. In the case of an application for re-accreditation or an additional “sectoral scope”, the designated operational entity shall submit, as applicable:
 - 2.1. Particular documents related to a “sectoral scope”;
 - 2.2. Documents¹⁶ required for accreditation ensuring that all information available to the executive board and the CDM-AP reflects the most up-to-date state of information.

D.2. Annex: “Appeals procedure”

1. After being informed of a recommendation by the CDM-AP to the EB, an applicant entity shall have the opportunity to appeal against the recommendation within six (6) working days. The appeal may only address the qualification of the CDM-AT and/or non-compliance with procedures.
2. The appeal shall be submitted in writing to the designated officer in the secretariat.
3. The designated officer shall immediately inform the CDM-AP and the EB of the appeal.
4. The designated officer shall submit to the EB, for consideration at its next meeting, taking into consideration deadlines for the submission of documents provided for in the EB draft rules of procedure, a file containing:
 - 4.1. The appeal submitted by the applicant entity;
 - 4.2. The recommendation of the CDM-AP challenged by the entity;
 - 4.3. A list of five (5) candidates for an appeal panel.
5. The EB shall consider the file and establish an appeal panel of three (3) members.
6. The appeal panel shall prepare a recommendation regarding the appeal for consideration at the next meeting of the EB.
7. The cost for conducting an appeals procedure shall be covered in accordance with the provisions in the annex “Fees”.

D.3. Annex: “Fees”

1. This annex provides the structure for fees related to the accreditation of designated operational entities under the CDM. This annex does not provide the amount of fees but explains the underlying cost structure. The secretariat shall make publicly available standard cost items such as the charges for one CDM-AT member per day.

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 CDM-AP meetings, the desk review of the application (estimate: fee for CDM-AT member for two (2) working days on average) and related administrative procedures. In case the desk review requires more than 2 working days, the secretariat will include the cost in its quote referred to in paragraph 5 below.
3. The non-reimbursable application fee is to be paid at the time the application is submitted. Applications are processed once, and in the order, the secretariat has received the fee.

¹⁶

Regarding provisions for notification on change of status of a DOE see section C.6.

Reimbursement conditions in case of withdrawal of an application

4. If an applicant entity decides to withdraw its application any cost incurred up to this point will not be reimbursed. Only in the case where an entity decides to withdraw its application due a revision by the CDM-AP of its proposed “sectoral scope(s)”, a reimbursement of 50 per cent of the non-reimbursable application fee will be effected.

Fee and costs associated with an on-site assessment of premises of an AOE

5. The applicant entity shall pay directly for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat):
 - 5.1. Business airfare for each assessment team member;
 - 5.2. Accommodation, including breakfast, of members of the CDM-AT in a four-star hotel.
6. In addition, the applicant entity shall pay to the secretariat a fee to cover the cost for the work provided by the CDM-AT members. The secretariat shall provide the applicant entity with a quote indicating the number of CDM-AT members and the days of intervention.
7. The implementation of the on-site assessment is depending on the payment in advance of the costs and the fee indicated.

Costs associated with witnessing

8. The applicant entity shall pay directly for the following cost items (dates, schedules and accommodation arrangements to be coordinated through the secretariat):
 - 8.1. Business airfare for each assessment team member;
 - 8.2. Accommodation, including breakfast, of members of the CDM-AT in a four star hotel;
9. In addition the applicant entity pay to the secretariat a fee for the work provided by the CDM-AT member(s). The secretariat shall provide the applicant entity with a quote indicating the number of CDM-AT members and of the working days related to the intervention.
10. The implementation of a witnessing activity is depending on the payment in advance of the costs and the fee identified in paragraph 8 and 9 of this annex.

Costs of “spot-checks”

11. The costs for a “spot check” shall be covered by the designated operational entity concerned. The secretariat will provide the designated operational entity with an itemized quote. The designated operational entity shall pay in advance. If the payment is not received within 30 days of the date of the receipt of the quote, the secretariat informs 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 COP/MOP.

Costs of an appeal

12. The costs for an appeal shall be covered by the applicant entity concerned. The secretariat will provide the applicant entity with an itemized quote for an “appeals fee”. The applicant entity shall pay in advance the appeals fee. After the payment by the applicant entity is received, the appeal will be considered. If the payment of the fee is not received within 20 working days after the quote was provided, the appeal is considered withdrawn by the applicant entity.
13. In case the appealing applicant is given right through the appeals procedure, the applicant entity shall be reimbursed the total amount of the “appeals fee”.

D.4. Annex: “Forms used in the CDM accreditation process”

The list below indicates the necessary forms by step of the accreditation procedure(F-CDM-___). 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.

Application for accreditation

- F-CDM-A = Application for accreditation

Desk review

- F-CDM-DR = Desk review report

On-site assessment of the applicant entity

- F-CDM-OR = On-site assessment report form
- F-CDM-NC = Non conformance, corrective action and clearance form
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings

Witnessing

- F-CDM-WR = Witnessing report form
- F-CDM-NC = Non conformance, corrective action and clearance form
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings

“Spot-check”/Unscheduled surveillance

- Spot-check/unscheduled surveillance report (to be prepared at a later stage)
- F-CDM-MA = Standard agenda for opening and closing meeting
- F-CDM-MAR = Attendance register for meetings

Other

- F-CDM-CA = Confidentiality and non-disclosure agreement for personnel taking part in an assessment (CDM-AT member)

Preliminary report

- F-CDM-PR = Preliminary report (includes, as attachments, forms used in the preceding steps)

Final report

- F-CDM-FR = Final report (includes, as attachment, F-CDM-PR)