

**Annex 1****RECOMMENDATION BY THE CDM ACCREDITATION PANEL TO THE CDM EXECUTIVE BOARD****Cost implications of changes to an application****Background/Problem**

1. The “Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM)” (Version 03 of 30 January 2003) does not include a provision on how to handle the case of an applicant entity (AE) making changes to its previously submitted application (e.g. changes to the list of sectoral scope(s) applied for, its legal status or location), in particular on how to address cost implications.

2. In order to be able to respond in a consistent manner to changes by AEs to their applications, the CDM-AP recommends to include the following provision in the “Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (CDM)”<sup>1</sup>:

**Recommendation**

3. An AE which indicates a change of (i) the list of sectoral scopes it applied for (addition or subtraction), (ii) its legal status or (iii) the ownership of the entity will not be charged any additional fee, if the AE indicates the change before the CDM assessment team (CDM-AT) members have signed the confidentiality and non-disclosure agreement (F-CDM-CA). If the change is indicated after this step but before the coordination of the on-site assessment (paragraphs 33 and 34 of the procedure), the AE will be charged a fee equivalent to two days of standard daily fee of a CDM-AT member<sup>2</sup> to cover additional work by the team leader and additional operational costs. If the change is only indicated after the start of the on-site assessment of the entity, the case shall be considered as a new application requiring the payment of the non-reimbursable application fee<sup>3</sup>.

4. There will be no additional charges if an AE changes its name in the course of accreditation process provided its legal status remains unchanged. An entity indicating a change of name shall submit a letter/declaration on official letterhead, signed by the responsible official, stating the new name of the entity, the date at which it becomes effective and declaring that the change of name does not affect its legal status.

5. For any change, the entity shall submit an information sheet detailing references to changes in the application documentation and provide the secretariat with eight new sets of application documents reflecting the change.

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<sup>1</sup> The recommended provision shall be implemented immediately while the inclusion in the text of the procedure could take place at the next major revision of the procedure. The provision shall be made available together with the procedure on the UNFCCC CDM web site.

<sup>2</sup> The standard daily fee per CDM-AT member is currently US\$400 (please refer to the UNFCCC CDM web site for any changes).

<sup>3</sup> This fee is currently US\$ 15,000 (please refer to the UNFCCC CDM web site for any changes).