Workshop on CDM Accreditation Standard

CONTENTS

- Introduction
- Structure of the accreditation standard
- Requirements of the Standard

INTRODUCTION

- Accreditation standard in Appendix A to CDM Modalities & Procedures
  - Mainly two pages
  - Lot of room for interpretation

INTRODUCTION Condt

- **Accreditation requirements are also contained in other documents**
  - Section E “Designated operational entities” of CDM M&P;
  - Section G “Validation and registration” of CDM M&P;
  - Section I “Verification and certification” of CDM M&P; and
  - Relevant decisions issued by the COP/MOP and/or the CDM EB.

INTRODUCTION Condt

- Revised standard in 2009
  - Bringing all accreditation requirements together
  - Based on the experience gained during assessment
  - Effort to learn from the existing International accreditation systems
  - The standard became more prescriptive
  - “Shall” requirements increased

INTRODUCTION Contd

- For mandatory provisions, the term “shall” is used throughout the document. The term “should” is used for indicating a typical means for meeting a requirement, and if the AE/DOE uses alternative means, it shall provide a suitable and adequate justification for the alternative means

INTRODUCTION Contd

- Many similarities related to management system accreditation process
  - Structure and requirements
  - Many steps similar
- Vital differences
  - The CERs directly sold in the market
  - Direct impact on the balance sheet of the company
  - The output of DOE's is verified 100% by an external expert and UNFCCC secretariat staff

CDM Project Cycle

- Development of PDD
- Validation process
- Request for registration
  - Registration or EB Review
- Actual Implementation of project
- Monitoring
- Verification process
  - Initial
  - Periodic
- Request for issuance
  - CER issued or EB Review

Structure of the Accreditation Standard

- Section I : Abbreviations
- Section II : Introduction
- Section III : Legal Issues
- Section IV : Human Resources and Competence
- Section V : Liability and Finance
- Section VI : Process requirements
- Section VII : Information Management
- Section VIII : AE's/DOE's Organisation
- Section IX : Quality Management System
- Section X : Handling Complaints Appeals & Disputes
- Section XI : Pending Judicial Process
- Section XII : Safeguarding Impartiality
- Section XIII : Confidentiality

Structure of the Accreditation Standard Condt

- Annex A : Allocation of Functions to other Sites
- Annex B : List of Sectoral Scopes
- Annex C : Guidelines for the Preparation of the Annual Activity Report by a DOE to the Executive Board

Section III : Legal Issues

Para 18 to 23

- Legal entity status - An AE/DOE shall be a legal entity under applicable national and/or international law so that it can function legally, enter into contracts, make decisions independently and **may be sued**.
- Accreditation only to legal entity.
- Accreditation related to only the CDM functions
- Other parts not involved in CDM functions of same legal entity can be assessed in the event of potential conflict of interest

Section III : Legal Issues

- Other Sites may include branches of the same legal entity and/or offices of an entity belonging to the same group.
- The Central Office of the OE shall assume full responsibility for decision-making regarding Validation, Verification, QA & Control
- Central office and site offices (Refer Annex A)
- Central office must have contractual arrangements with other sites.
- Contract for validation or verification must be between PP and accredited legal entity

Section V : Liability & Finance

Para 66 to 70

- Financial Stability - Demonstrate financial resources & stability for CDM related activities :
  - Evidence of financial resources including previous 3 years financial statements for companies existing for more than three years (balance sheets, profit and loss accounts, etc);
  - Any other relevant evidence - shareholders commitment for new companies, etc.
  - Business or work plan or equivalent financial plan for next three years

Section V : Liability & Finance

- **Financial Stability**
  - Documented evidence, sufficient to generate confidence that financial status shall not compromise the impartiality of the AE/DOE.
  - Documented procedure to continuously monitor its income and expenditure to determine the financial stability and financial resources required for its operations of the CDM related activities.

Section V : Liability & Finance

- Liability – Demonstrate that it has analyzed, identified and evaluated the nature, scale and impact of all potential financial risks arising from its CDM related activities and has adequate arrangements to cover the identified financial risks
  - Liability insurance
  - Financial resource reserves, such as bank savings and/or short/long term liquidities

Section VIII. AE's/DOE's Organization

Para 92 to 96

- Documented organizational structure
  - To work in a credible, independent, non-discriminatory and transparent manner, complying with applicable national law; and
  - To safeguard impartiality, including provisions to ensure impartiality of its operations.

  Parent body, CDM section, related body, committees, reporting structure, site offices, site office structure, etc.

Section VIII. AE's/DOE's Organization

- Document duties, responsibilities and authorities of management personnel, V & V personnel and others involved in CDM activities and any operational or supervisory committees.
- Planned changes in organization to be notified in advance as per CDM accreditation procedure.
- Any unexpected change (s) to be notified to the secretariat within ten (10) days of the change.

Section VIII. AE's/DOE's Organization

- An AE/DOE shall identify top management (individuals, a group of persons or a board or committee) having overall authority and responsibility for the functions a) to h).
- An AE/DOE shall have a documented procedure for the appointment, terms of reference and operation of any committees that are involved in its CDM policy making or operational functions.

Section IX : Quality Management System

- Para 97 to 122
- An AE/DOE shall establish, document, implement and maintain a quality management system for ensuring and demonstrating consistent application of the CDM accreditation requirements.
- An AE/DOE shall make the QMS documentation available to the CDM secretariat when it submits its application and shall periodically update them to reflect any changes in the CDM accreditation requirements.

Section IX : Quality Management System

- Top management commitment to development and implementation of a QMS as per the CDM accreditation and validation/verification requirements.
- Appointment of a member of management as a CDM quality manager.

Section IX : Quality Management System

- Document Control - Establish documented procedures to control all CDM related documents - internally generated or from external sources.

Section IX : Quality Management System

- **Control of Records :**
  - Documented procedures to define the controls needed for maintenance of records. Define retention period.
  - Maintain records of original observations, derived data.
  - Procedure to include maintaining and managing specific records pertaining to CDM validation / verification certification activities as indicated vide a) to k) of Para 108.

Section IX : Quality Management System

- **Internal audit -**
  - Documented procedure
  - At least once a year by competent person
  - Criteria for Internal audit - CDM accreditation requirements, relevant sections of the CDM M&P, relevant decisions and/or clarifications issued by COP/MOP and the CDM EB, and its own documented procedures.

Section IX : Quality Management System

- **Management review -**
  - Periodic (at least once a year)
  - Ensure continuing suitability and effectiveness of the DOE's QMS, Consistency and implementation of its policy and procedures and its continual compliance to CDM accreditation requirements.
  - Review inputs to be as specified. To include Projects rejected or placed under review by the CDM EB.
  - Findings from MRs and the actions to be recorded.
  - Typical outputs - Improvement and CDM related measurable objectives.

Section IX : Quality Management System

- Control of in process non conformities – Procedure to identify non-conformities and undertake corrective and preventive actions in response to the internal audits, work carried out by the DOE and feedback from stakeholders.
- Designate appropriate personnel for implementing corrective action.
- Procedure for proactively identifying potential sources of non-conformities and areas for improvement and for implementing preventive actions.

Section X : Handling Complaints Appeals & Disputes

Para 123 to 131

- Complaints: Formal (written) and/or informal (verbal) expressions of dissatisfaction regarding the performance of a DOE in relation to its CDM function(s), from any source, such as the CDM client's organization (CDM PP), the general public or its representatives, government bodies, NGOs, etc.
- Disputes: Disagreement between a DOE and the project participant regarding the DOE's recommendation and/or opinions/decisions made at various stages during the validation and/or verification/certification functions
- Appeals: A CDM client organization's (CDM PP) request for a review by an independent appeal panel of various decisions taken by a DOE in respect of validation and/or verification/certification functions.

Section X : Handling Complaints Appeals & Disputes

- **Complaints :**
  - Documented procedure to be made publicly available
  - System for investigating and taking correction & corrective actions
  - Complaints relating to project participant received & validation, verification activities
  - Responsible for all decisions at all levels of the complaints handling process

Section X : Handling Complaints Appeals & Disputes

- **Disputes :**
  - Documented procedure to be made publicly available.
  - Procedure for receiving, gathering & verifying and evaluating validity of the disputes, investigating the disputes and for deciding what actions are to be taken in response to it;

Section X : Handling Complaints Appeals & Disputes

- **Appeals :**
  - Publicly available procedure
  - Independent appeal panel responsible for the appeals process.
  - Process for receiving, assessing validity, acknowledging and investigating, ensuring decision after based on facts.
  - Inform the appellant, provision for complaining to the CDM-EB if not satisfied with DOE's decision.