

**Annex 20****CONCEPT NOTE
ON THE ANALYSIS FOR STRENGTHENING THE ACCREDITATION SYSTEM****(Version 01.0)****I. Background**

1. The Board, through the CDM management plan 2012 (CDM-MAP 2012) decided to improve the performance and role-definition of operational entities within the mechanism including through revised standards and procedures. This work covers among other elements the revision of the three key documents related to the CDM accreditation system; the standard, procedure and designated operational entity (DOE) performance monitoring procedure.

2. The holistic project was included in the CDM-MAP 2012 based on a decision to coherently deliver the various mandates from the Board on the key CDM accreditation documentation. Previously these revisions have been conducted in isolation on a regular basis and/or through responding to ad-hoc requests. The reasoning for this approach includes the effective impact of the revised documents through harmonization, efficient use of secretariat resources, limited market disruption in 2012 and acknowledgement of the shifting environment of the post 2012 global carbon market.

II. Objectives and Outcomes

3. The objective of this project is to realise significant improvements in the performance of DOEs in a cost-efficient and effective manner while maintaining and strengthening the credibility of the process within the context of developments in the post 2012 carbon markets. The sub-objectives are to improve credibility, increase transparency for all relevant stakeholders, enhance accountability through identifying relevant risk elements, and increase effectiveness and efficiency through improved predictability of outcomes.

4. Based on the above objectives this project has the following deliverables as outlined in the CDM-MAP 2012:

Table 1: Timeline of deliverables

Product	Timeline
Analysis and proposals for further strengthening the accreditation system	Q3 2012
Revised CDM accreditation standard - Phase I revision	Q2 2012
Revised CDM accreditation standard - Phase II revision	2013
Revision CDM accreditation procedure	Q4 2012



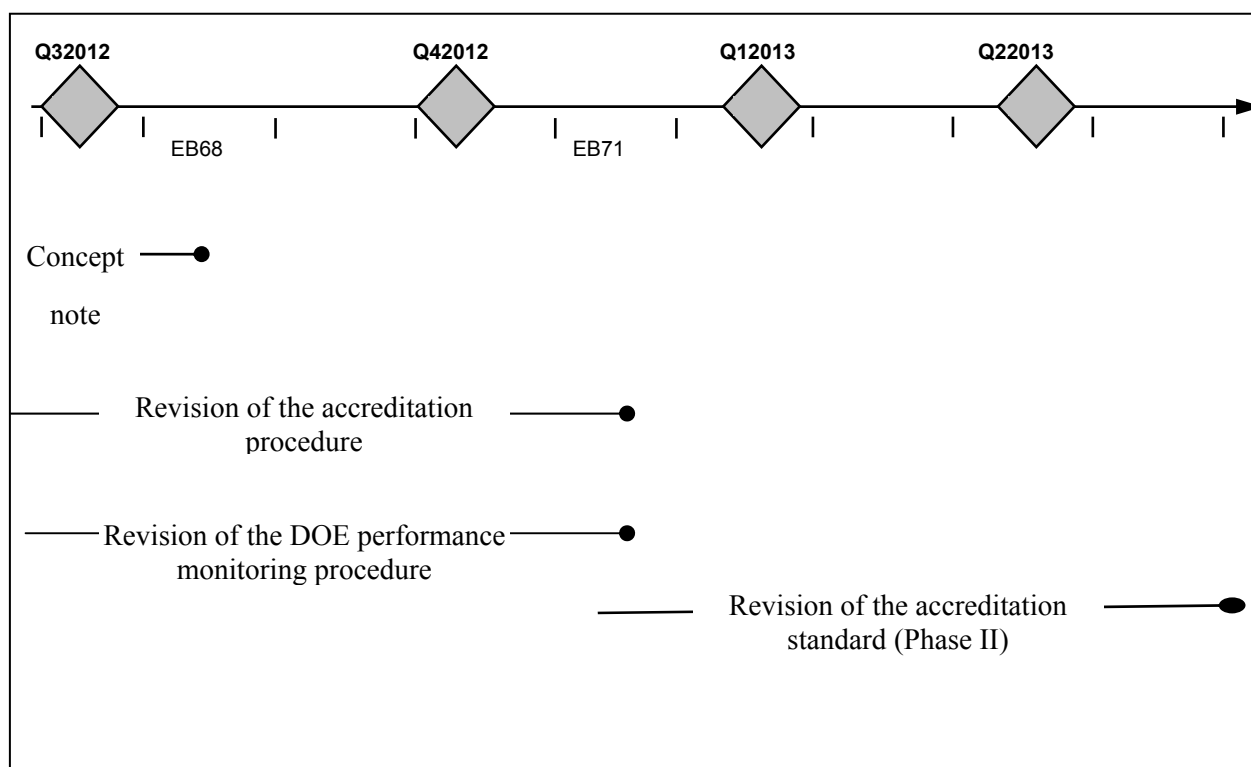
Product	Timeline
Revision of the procedure on performance monitoring of DOEs	Q4 2012
Internal training/revision of internal processes/systems	Q1 2013

III. Product - Analysis and proposals for further strengthening the accreditation system

5. The initial analysis and proposals for further strengthening the accreditation system has been conducted by the secretariat, the summarized results of which are presented in this note.
6. For this analysis the secretariat compiled all potential areas for review and issues that have been identified by various stakeholders over the previous months. These included, among others, those as highlighted by the Board, the CDM-AP, the DOE/AIE Coordination Forum, assessment teams and secretariat staff. In addition the outcomes of a GAP analysis against the standard ISO17011 (General requirements for accreditation bodies accrediting conformity assessment bodies) was channelled into the list of identified issues. This process generated around 300 items that have been categorized per key document and prioritized based on implementation covering both complexity and time-frame.
7. The outcome of the aforementioned analysis can be considered on two levels. Firstly, the generation of the “bigger picture”, namely the overall status of the current accreditation system based on previously raised issues. Secondly, a detailed, but non-exhaustive, list of issues to be considered as part of the revision of each of the key documents.

IV. Further products - revision of the key documentation

8. In relation to the further products of this project, the revision of key documentation, the initial analysis has led to an informed re-adjusting of the delivery dates and scopes of the products as listed within the CDM-MAP 2012. These products directly respond to the specific previous mandates from the Board. The details of the estimated timelines for the remaining products are clearly displayed in the table below.

**Table 2: Estimated timelines for the revision of key documentation**

9. The second outcome of the analysis has led to the creation of the non-exhaustive list of issues to be considered as part of the revision of each of the key documents as summarized in appendix one of this document. Prior to the revision of the documentation these priority issues are to be processed through a series of steps that include:

- (a) Conduction of further analysis and identify solutions to address the identified issues in the form of a GAP analysis with relevant international standards and market benchmarks;
- (b) Development of a business case for suggested revisions;
- (c) Proposal and implementation of improvements to the documentation through revision as informed by steps (a) and (b).

V. Proposed course of actions

10. It is proposed that the estimated timelines and list of priority issues for the revision of key documentation CDM-MAP 2012 products specified above be considered and approved at the Board's sixty-eighth meeting.



Appendix 1

SUMMARY OF NON-EXHAUSTIVE LIST OF PRIORITY ISSUES

I. CDM accreditation procedure

1. Conduct further analysis, develop the business case for change and propose solutions for the identified priorities as listed below:
 - (a) Addressing of non-conformities within the system;
 - (b) Role of the DOE annual activity reports and certificates;
 - (c) Type, number and purpose of assessments legality, transparency, clarity, impartiality, technicality and consistency of the complaints/appeals/disputes procedures;
 - (d) Requirement for submission of documentation in English;
 - (e) Streamlining of the accreditation process;
 - (f) Length of the accreditation cycle;
 - (g) Purpose and procedure for submission of notifications of change;
 - (h) Strategic elements covering conflicts of interest;
 - (i) Technical review;
 - (j) Integration of CDM/JI accreditation process;
 - (k) Suspension/withdrawal procedure in terms of timing, criteria, use and how they are perceived;
 - (l) Timelines for all steps and length of extensions of scope/re-accreditation assessments.

II. DOE performance monitoring procedure

2. Conduct further analysis, develop the business case for change and propose solutions for the identified priorities as listed below:
 - (a) Objectives and outcomes of the current system covering, inter alia, the activation of spot-checks, rating of non-conformities, potential for creation of perverse incentives and weighting/indicators for the accreditation component and deviations/post-registration changes;
 - (b) Availability and utilisation of the data generated within the four reports and its relation to assessments;
 - (c) Speed and frequency of the generation of the results and its relation to current performance and the monitoring results.



III. Accreditation standard

3. Conduct a comparative and value-added analysis of each requirement
 - (a) A comparative analysis between the CDM standard and other equivalent international standards (JI, ISO 14065) will be carried out to identify whether and how the CDM standard could be better aligned with international standards. This exercise will also include a clause-by-clause analysis of the CDM standard to determine which requirements are really needed, and those that are not, for an effective and efficient accreditation system.
4. Review and reformulate competence requirements in the main body of the standard and Annex D
 - (a) Based on the scope of the planned phase II Revision of the standard. This issue is to revise and align the standard towards competence-based requirements only (this will replace the current approach of qualification requirements based on educational background and work experience).
5. Review and update all other relevant issues raised by stakeholders to improve the standard.

History of the document

Version	Date	Nature of revision
01.0	2 July 2012	Initial publication as an annex to the annotated agenda of EB68.
Decision Class: Operational Document Type: Information Note Business Function: Accreditation		