

**CDM-EB80-AA-A08**

## Concept note

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# Review of the application of accreditation fee

Version 01.1



**United Nations**  
Framework Convention on  
Climate Change

<b>TABLE OF CONTENTS</b>	<b>Page</b>
<b>1. PROCEDURAL BACKGROUND.....</b>	<b>3</b>
<b>2. PURPOSE .....</b>	<b>3</b>
<b>3. KEY ISSUES AND PROPOSED SOLUTIONS .....</b>	<b>3</b>
3.1. Examples of situations that may be encountered .....	4
3.2. Possible options for the Board to consider.....	4
<b>4. RECOMMENDATIONS TO THE BOARD .....</b>	<b>5</b>
<b>5. IMPACTS.....</b>	<b>5</b>
<b>6. PROPOSED WORK AND TIMELINES .....</b>	<b>5</b>
<b>7. REFERENCES .....</b>	<b>5</b>

## **1. Procedural background**

1. The Clean development mechanism accreditation panel (CDM-AP), at its 66<sup>th</sup> meeting, considered the request of the applicant entity (AE) E-0064 BRTÜV Avaliações da Qualidade S.A (BRTÜV) to subtract scopes 6-10 and 15 from the list of scopes it had applied for. The request was made due to insufficient resources to service these scopes and a management decision factoring in future market needs. The CDM-AP noted that appendix 5 of the CDM accreditation procedure (version 10.1) allows for addition to or subtraction from the list of sectoral scopes applied for by an AE before decision of the Executive Board (hereinafter referred to as the Board) of the clean development mechanism (CDM) on accreditation. The CDM-AP also noted that paragraph 21 of the afore-mentioned appendix states that if such change is only notified 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.
2. The CDM-AP decided to take note of the notification from BRTÜV on subtraction from its application sectoral scopes 6-10 and 15 and recommend that the Board deviate from paragraph 21 of appendix 5 of the CDM accreditation procedure (version 10.1) and not require BRTÜV to pay the additional non-reimbursable application fee. The decision was taken because the change did not require any additional work from the CDM assessment team and because the AE is from non-Annex I Party country (CDM-AP 66 internal report, paragraph 5).
3. The Board, at its seventy-sixth meeting, considered a recommendation from the CDM-AP to revise the version of the CDM accreditation procedure (version 11.0) adopted at the seventy-fourth meeting of the Board to remove the requirement for another payment of the non-reimbursable application fee for changes notified after the coordination of the on-site assessment, where the change pertains only to the subtraction of sectoral scopes applied for by an AE. The Board requested the secretariat to assess the issue and, where appropriate, propose options for revision (EB 76 report, paragraph 65).
4. The secretariat has assessed the issue and now proposes options for the Board to consider.

## **2. Purpose**

5. The purpose of this document is to assess whether the requirement on charging additional fees for addition or subtraction of sectoral scopes by an AE requires revision of the accreditation procedure and to provide options for the Board to consider.

## **3. Key issues and proposed solutions**

6. In terms of the BRTÜV case and the decision not to charge the AE additional fees due to the subtraction of sectoral scopes, the recommendation from the CDM-AP, at its 66<sup>th</sup> meeting, and the decision by the Board at its seventy-sixth meeting, was based on the previous version of the CDM accreditation procedure version, namely version 10.1.
7. Version 11.0 of the CDM accreditation procedure came into effect on 1 January 2014, as per paragraph 79 of the seventy-fifth report of the Board. The revised procedure, at paragraph 7 in appendix 9, maintains the requirement of charging additional fees at different stages in the accreditation process.

8. The secretariat has evaluated the practical implementation of the requirement and has provided examples of situations that may unfold.

### **3.1. Examples of situations that may be encountered**

9. An AE that has initially applied for sectoral scopes 1, 2 and 4 may subtract all three scopes from its application and add three others. This may warrant the application being considered as a new application since the various steps in the process may need to begin again (completing the check of documentation submitted, invoicing, developing a workplan, considering the application and the workplan by the CDM-AP, appointing a suitably competent assessment team, approving the team by the entity, conducting a desk review etc.).
10. An AE may apply for five sectoral scopes and subtract two. However, this may not impact the various steps in the process as in the first case and therefore may not warrant additional fees.
11. An AE may apply for two sectoral scopes and then add another six. This may impact the various steps (e.g. the completeness check, the desk review of additional documentation, selection of a suitably competent assessment team, number of assessment days required) and therefore may warrant additional fees.
12. An AE may subtract a sectoral scope after the on-site assessment report is prepared as a result of a non-conformity raised. It is possible that due to the underlying cause of the non-conformity the CDM-AP may not agree to subtract the sectoral scope until the CDM-AP considers the non-conformity closed or considers avenues such as additional assessment. This may impact the various steps and therefore may warrant additional fees.

### **3.2. Possible options for the Board to consider**

13. Option 1. Revise the accreditation procedure to include specific situations when additional fees will not be charged.
  - (a) Advantage: clear guidance will be provided to the CDM-AP and the secretariat;
  - (b) Disadvantage: it may not cater for all situations or permutations of the same situation and therefore could create loopholes for exploitation.
14. Option 2. Maintain the requirement in the accreditation procedure as is it to cater for any situation and allow the requirement to be applied by the secretariat with discretion and, if required, in consultation with the Board on a case-by-case basis (as done with the BRTÜV case). The secretariat provides the CDM-AP an update of assessments at each meeting.
  - (a) Advantage: allows the secretariat and/or the Board to consider the underlying reasons for addition or subtraction of sectoral scopes by an AE and make decisions accordingly;
    - (i) Allows each case to be decided upon on its own merit;
  - (b) Disadvantage: does not provide detailed information of different situations.

## 4. Recommendations to the Board

15. The secretariat recommends that the Board adopt the measures proposed in option 2 i.e. to maintain the requirement in the accreditation procedure as it is to cater for any situation and allow the requirement to be applied by the secretariat with discretion and, if required, in consultation with the Board on a case-by-case basis.

## 5. Impacts

16. If the Board adopts the recommendation related to the application of the accreditation fee in the revised procedure the benefitting parts are the AEs/designated operational entities (DOEs), the CDM-AP and the secretariat as the proposed measures enable a consistent, transparent, effective and efficient implementation process.

## 6. Proposed work and timelines

17. The secretariat will implement the decision as adopted by the Board.

## 7. References

18. This concept note is related to, and hence should be read in conjunction with the following:

(a) The revised CDM accreditation procedures (version 11.0);

19. Please refer to the following paragraphs of the CDM Accreditation procedure (version 11.0), Appendix 9 (Fees and Cost), related to the proposed measures in this concept note:

*“7. For initial accreditation and reaccreditation, if an AE/DOE notifies the secretariat of the following changes in its application before all appointed CDM-AT members sign a confidentiality agreement and conflict of interest declaration, no additional fee shall be charged to the AE/DOE. If the AE/DOE notifies the secretariat of the changes after all appointed CDM-AT members have signed a confidentiality and non-disclosure agreement but before the coordination of the on-site assessment, an additional fee of two person-days for the CDM-AT leader shall be charged to the AE/DOE for him/her undertaking an additional desk review. If the AE/DOE notifies the secretariat of the changes after the coordination of the on-site assessment, the case shall be considered as a new application and the AE/DOE shall pay another application fee referred to in paragraph 1 of this appendix:*

*(a) Addition to or subtraction from the list of sectoral scopes applied for;*

*(b) Substantial changes in documentation.*

*8. The CDM-AT members shall send the original receipts of fee payment signed by respective CDM-AT members to the AE/DOE, and submit an electronic copy of them to the secretariat.”*

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### Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
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