

Wrap up of break-out session: Possible changes in accreditation

Workshop on review of CDM modalities and procedures
Bonn, Germany, 8–9 June 2013



Firstname Lastname, Job Title
UNFCCC secretariat, programme

Topics discussed

- Simplifying the rules and setting out principles
- Significant deficiencies
- Promotion of regional distribution of DOEs
- Alignment of accreditation across CDM and JI
- Contractual relationship with DOEs

➤ **Simplifying the rules and setting out principles**

- Include only principles for accreditation in the main body of the M&P and delete appendix A, allowing the Board to develop and revise the accreditation rules in a more flexible and timely manner

➤ **Significant deficiencies**

- Change the principles of liability of DOEs for significant deficiencies
- Differentiate by the cause of excess issuance of CERs, between professional negligence, fraud and all other reasons, with differentiated consequences
- Limit risks and liabilities for DOEs and make them quantifiable
- Possible solutions for offsetting excessively issued CERs could be: reserve pools; extra share of proceeds; deducting CERs from future issuances

➤ **Promotion of regional distribution of DOEs**

- Consideration on whether to maintain the reference to regional distribution of DOEs in M&P should take into account:
 - Regional distribution of DOEs is a result of market force and not of regulations (project participants will choose DOEs by their competence and capacity, not necessarily by their locality)
 - Many DOEs are operating globally with local offices in developing countries employing a number of local staff
 - Increasing the regional distribution of CDM project activities is likely to increase the regional distribution of DOEs
 - Auditing capacity needs to be developed and strengthened in developing countries to increase the regional distribution of DOEs

➤ **Alignment of accreditation principles CDM/JI**

- Align the accreditation processes of CDM and JI into a single accreditation system
- Coordination with the review of the JI guidelines in the area of accreditation is needed, which is also considering close alignment or unification of CDM and JI accreditation processes

➤ **Contractual relationship between project participants and DOEs**

- Removing the condition that a DOE has to have a contractual relationship with the project participants for providing validation or verification services may reduce transaction costs of CDM project activities by increasing flexibility in contractual relationship