



## Annex 5

### OPTIONS FOR INSTITUTIONAL ARRANGEMENTS FOR JI ACCREDITATION

#### I. Introduction

1. Paragraph 3 (b) of decision 9/CMP.1 (*Guidelines for the implementation of Article 6 of the Kyoto protocol*, hereinafter referred as “JI guidelines”) stipulates that the JISC shall be responsible for the accreditation of independent entities (IEs) in accordance with standards and procedures contained in appendix A of the same decision. The Conference of the Parties serving as the Meeting of the Parties, at its first session, requested the JISC to further elaborate, as a priority, standards and procedures for the accreditation of independent entities, consistent with appendix A of the JI guidelines, taking into consideration, as appropriate, the procedures for accrediting operational entities developed by the Executive Board of the clean development mechanism (CDM) (decision 10/CMP.1). The same decision further decided that designated operational entities (DOEs) under the CDM may act provisionally as accredited independent entities under Article 6 until the JISC has approved its procedures for accreditation.
2. The JISC at its first meeting (2 - 3 February 2006) requested the secretariat to prepare for its consideration at its second meeting a draft procedure based on that of the CDM and options for making use of the CDM panel’s expertise, taking into account the discussions and guidance provided by the JISC at its first meeting.
3. Based on the above, this paper provides options on making use of the CDM accreditation panel (CDM-AP) expertise to establish and implement the JI accreditation process.

#### II. Issues to be taken into consideration

1. The JISC, before considering different options on how to make use of the expertise of the CDM-AP, may wish take into consideration that:
  - (a) Despite the similarities in the standards and requirements for the accreditation of IEs (appendix A of the JI guidelines) and those for the accreditation of operational entities for the CDM (appendix A of the CDM modalities and procedures), there are certain differences between the requirements, in particular, pertaining to functions. The nature of functions to be performed by accredited independent entities (AIEs) (determination of PDDs and determination of emissions reductions) are different from the functions performed by DOEs and hence competencies required for these functions may also be different, e-g, there are no approved baseline methodologies as a reference for IEs decision making;
  - (b) The institutional structure of the CDM accreditation process had been established by taking into consideration requirements and standards of the CDM, relevant ISO standards and IAF guidelines as well best practice in accreditation schemes such as ISO;
  - (c) The mandate of the CDM accreditation panel and CDM assessment teams is limited to the CDM accreditation process;
  - (d) The JISC needs to decide on the procedures and requirements for DOEs to perform functions under the JI process.



### III. Options for establishing a panel and assessment teams for accrediting independent entities in accordance with the draft accreditation procedure

2. The JISC may wish to take note that the appendix A of the CDM modalities and procedures and appendix A of JI guidelines, procedural steps and an institutional set-up of the CDM accreditation process have been developed by involving, inter alia, experts from national accreditation bodies and certification companies in Annex I and Non-Annex I Parties, the International Accreditation Forum, and drawing, as much as applicable, on relevant ISO standards. Therefore, a lot of competencies which are required in other accreditation schemes apply to experts involved in the JI, and CDM assessment/accreditation work. However, the two mechanisms have their distinct differences in terms of how they function and what competences the entities applying need to have. The JISC may wish to bear in mind that these differences require a different competence profile, if only for knowledge of the mechanisms of the experts involved in panels and assessment teams.

3. If the JISC adopts the draft procedure as proposed, it would have to establish an **accreditation panel** to make a recommendation on each applicant entity to the JISC based on the work undertaken by an **assessment team**.

#### *Accreditation panel*

##### **Option 1: Extending the scope and mandate of the CDM-AP**

4. The JISC, in agreement with the CDM Executive Board, extends the scope and mandate of the existing CDM-AP to undertake tasks related to JI accreditation as well. In this case the JISC shall appoint a Chair and Vice Chair of the panel in accordance with its procedures. Furthermore, the terms of reference and tasks of the panel shall have to be clearly distinguished between its functions towards the CDM and JI. It will require for the panel to extend the duration of its meetings in order to handle the extra work. This option appears cost effective but poses legal and administrative problems. It would be difficult to divide the work of the panel into two legally and institutionally distinct processes.

5. It may also be noted that some panel members may not be willing to be involved in the JI accreditation process for reasons of self-assessed competence or workload. The JISC may want to note that these are high-level professionals assuming tasks in government and/or private sector companies. If a CDM-AP member rejects the appointment, a call for experts would need to be launched similar to the one of Option 2 below. It should further be noted that a large overlap of panel members, while providing the transfer of knowledge and some cost savings in meetings bear the risk that panel members may be overloaded with work and hence reduce the efficiency of both panels.

6. The JISC may want to take note that the activities for the JI accreditation process shall have to be funded from JI resources. If there an overlap in membership remains, there is a potential for cost savings for the CDM and JI accreditation processes if back-to-back meetings can be organised given the different time schedules of CDM Executive Board and JISC meetings and related documentation deadlines.

##### **Option 2: Establishing JI accreditation panel**

7. The JISC under option 2 may wish to consider two sub-options, as described below:

- (e) The JISC decides to establish a JI accreditation panel and utilize the expertise of the CDM-AP by appointing the existing panel members to be a part of the JI accreditation panel. For this option the JISC shall agree on terms of reference (TOR) and competence requirements by the panel members. A Chair and Vice Chair of the panel shall also have to be appointed in accordance with its procedures. This option provides the opportunity



to make use of the expertise of the CDM-AP members, but, as mentioned above, some panel members may not be willing to be involved in the JI accreditation process for reasons of self-assessed competence or workload. In this case a call for experts would need to be launched which would result in delays to launch the process. Furthermore, a large overlap of panel members, while providing the transfer of knowledge and some cost savings in meetings bear the risk that panel members may be overloaded with work. The view of the CDM Executive Board should be sought regarding this option.

- (f) The JISC decides to establish a JI accreditation panel, administratively separate from the CDM-AP by agreeing on TOR, composition and the competencies required and launching a call for experts. The call for experts can be organised between two JISC meetings if there is at least a time gap of 4-5 weeks between two meetings so that the JISC can take a decision on the panel composition. The JISC can make use of CDM-AP expertise by expressly inviting current and former members of the CDM-AP or the Board to respond to the call. This option poses no legal and administrative complications and still provides an opportunity to utilise the expertise from the CDM process (CDM-AP and/or Board current and former members). This would provide the JISC with the opportunity to identify the best candidates and, if there is an overlap in membership with the CDM-AP, to have potential cost savings through back to back meetings.

8. The JISC may wish to take note that the activities for the JI accreditation process will have to be funded from JI resources. If there an overlap in membership remains, there is a potential for cost savings for the CDM and JI accreditation processes if back-to-back meetings can be organised given the different time schedules of CDM Executive Board and JISC meetings and related documentation deadlines.

9. Once the JISC has decided on its accreditation procedures the secretariat will explore to which extent economies of scale and synergies could be achieved in its support to the two accreditation processes.

#### *Assessment teams*

10. An assessment team is established by the CDM-AP for each applicant entity to undertake the detailed assessment work. While establishing the team, the CDM-AP takes into consideration issues such as competency of the team with respect to institutional structure and sectoral scopes applied to by the applicant entity, as well as geographical balance. The secretariat maintains a roster of experts which currently holds the profile of more than forty accreditation experts which meet the competency requirements for CDM. The JISC, in order to make use of CDM expertise, may wish to consider the following options:

#### **Option 1:**

11. The JISC decides to draw upon the existing roster (for CDM accreditation) of experts and, subject to availability, willingness and competence of the experts in the roster, establishes an assessment team for each entity. However, it may be noted that some of the experts in the roster may not be willing to be involved in the JI accreditation process for reasons of self-assessed competence or workload. It may also be noted that the CDM-AP is having difficulties with the availability of experts currently in the roster to undertake assessment work.

**Option 2:**

12. The JISC decides to establish a new roster of experts by defining and agreeing on TOR and competence requirements for the experts to be included in the roster. In this case a new team for each applicant entity would have to be established. The experts applying shall have a clear understanding of their role, TOR and competencies required. Once the call for experts is launched experts in the CDM roster can be invited to apply bearing mind their expected workload under the CDM accreditation.

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