

**Annex 1****CONCEPT NOTE
ON THE ANALYSIS FOR STRENGTHENING THE ACCREDITATION SYSTEM****(Version 01.0)****I. Background**

1. At its twenty-fourth meeting, the Joint Implementation Supervisory Committee (JISC) considered the document “Measures to streamline and further improve the joint implementation accreditation process and functioning” (streamlining concept note) prepared by the secretariat in consultation with the Joint Implementation Accreditation Panel (JI-AP). The streamlining concept note was developed in response to the request from the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) to the JISC to further streamline the accreditation process, by building on synergies with and lessons learned from other accreditation processes.

2. The aforementioned document proposed five options for streamlining the joint implementation (JI) accreditation process:

- (a) Option 1: Limiting the revision of the JI accreditation process to the changes already agreed by the JISC with few adjustments;
- (b) Option 2: Aligning the steps of the JI accreditation process with the steps of the clean development mechanism (CDM) accreditation process (desk review, on-site assessment, performance assessments, etc.);
- (c) Option 3: Aligning the JI accreditation process (procedure, standard and functioning) with the CDM accreditation process steps and carrying out combined/joint assessment resulting in two reports for the decision-making of the two accreditation panels (JI and CDM);
- (d) Option 4: Fully integrating the CDM and JI accreditation processes, including the accreditation panels;
- (e) Option 5: Delegating the administration of the JI accreditation processes to International Accreditation Forum-recognized national accreditation body(ies) but retaining policy development and final accreditation decisions within the JISC.

3. The JISC agreed on Option 2 with additional elements of Option 3 that are easily implementable. The JISC requested the JI-AP, with the support of the secretariat, to revise the relevant regulatory documents accordingly. Additionally, the JISC requested the secretariat to seek the views of the CDM Executive Board on possible coordination of the JI and CDM accreditation processes as proposed in Option 3 and requested the secretariat to explore the feasibility and benefits of Option 4.

4. In addition, the JISC made further requests in relation to accreditation through the JI management plan 2012 (JI-MAP 2012). These included a request for the secretariat to undertake an analysis and present a proposal for the further strengthening of the accreditation system covering a revision of the Track 2 procedure and the development of an accredited independent entity (AIE) performance monitoring system to align with current CDM practice.



II. Purpose

7. The purpose of this document is to present an update on the development of the response of the secretariat and JI-AP in relation to the request of the CMP and the JISC to further streamline the JI accreditation process.

8. In addition, this concept note outlines the efforts of the secretariat and the respective panels to take advantage of efficiency gains and further benefits through harmonizing these developments with similar streamlining efforts undertaken within the CDM accreditation system.

9. The paper finally provides a proposed integrated approach for implementing these streamlining efforts within the context of the alignment of the JI and CDM accreditation systems.

III. An update on the delivery of the requests

10. An initial step was undertaken by aligning the steps of the JI accreditation process with the steps of CDM accreditation process. This was achieved by the JISC approving the “Procedure for accrediting independent entities” version 7.0 at its twenty-sixth meeting. The main change introduced by the revision was aligning aspects of the JI accreditation process with the CDM accreditation process which included, inter alia:

- (a) Adding sections on accreditation suspension and withdrawal;
- (b) Adding appendices on handling of complaints against an AIE and from an applicant independent entity/AIE;
- (c) Removing the JI-AP’s clearance of proposed corrective actions;
- (d) Adding regular on-site surveillance;
- (e) Granting accreditation after a successful on-site assessment and replacing initial and ex post witnessing activities with performance assessments, to be conducted after accreditation is granted;
- (f) Modifying the scope of the desk review and on-site assessment (for new applications) in order to fully assess applicant independent entities (applicant IEs) compliance with the JI accreditation standard within these two assessments.

12. Through the delivery of the JI-AP workplan 2012, further movement towards alignment has been achieved by conducting two joint sessions between the JI and CDM accreditation panel (CDM-AP). During the second of these joint sessions, held on 14 August 2012, the panels considered an update by the secretariat on the recent developments in their respective systems. This interaction resulted in the provision of input on the possible integration of the CDM and JI accreditation processes, the development of modalities for conducting combined/joint assessments, the modalities for the joint work of the accreditation panels and on the common Sustainable Development Mechanisms (SDM) accreditation roster of experts. In addition, and perhaps most relevant to this paper, the panels gave initial input on project 163 – an overarching project aimed at improving the CDM accreditation system.

IV. JI and CDM harmonized approach

13. Through a harmonized approach, the JI accreditation system can benefit from the work conducted for the CDM accreditation system and vice versa.



14 Efforts in relation to the CDM have been driven through project 163 in line with the CDM management plan 2012 (CDM-MAP 2012) aimed at improving the performance and role-definition of operational entities within the mechanism including through the revision of standards and procedures.

14. To date, in relation to project 163, the CDM Executive Board at its sixty-eighth meeting considered a “Concept note on the analysis for strengthening the accreditation system”¹ and provided comments to the secretariat. An outcome of this consultative process was that the CDM Executive Board agreed to the estimated timelines and an initial list of priority issues for revision of the key documentation (i.e. the CDM accreditation procedure, the CDM accreditation standard and the designated operational entity (DOE) performance monitoring procedure), noting the need to match the work and available resources.

15. Given the current similarities and continued movement towards alignment of the accreditation processes between JI and the CDM, as per options 2 and 3 described above, the analysis for strengthening the accreditation system produced for the CDM is also applicable to JI. Consequently, this document as submitted for consideration by the JISC has been harmonized with the concept note submitted to the CDM Executive Board. The following section summarizes the preliminary results of this analysis for strengthening the accreditation system as conducted by the secretariat and the proposed workplan and timelines for future actions.

V. Completed and proposed work with timelines

16. The aforementioned analysis involved the secretariat compiling a list of 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 CDM Executive Board, the accreditation panels, the DOE/AIE Coordination Forum, assessment teams and secretariat staff. This process generated around 300 items that have been categorized per key document and prioritized based on implementation covering both complexity and time frame.

17. This 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 1 of this document. Prior to the revision of the documentation, these priority issues are to be processed through a series of steps that include the following:

- (a) Further analysis and development of solutions to address the identified issues in the form of a gap analysis with relevant international standards and market benchmarks;
- (b) Opportunities for stakeholder interaction throughout the revision of each of the key documents, including with:
 - i. The CDM and JI accreditation panels in joint sessions and within their individual meetings;
 - ii. DOE/AIEs, through representatives of entity forums and individual entities at dedicated round-table consultations;
- (c) A business case analysis on the proposed revisions;
- (d) A final revision of the documentation through implementation of improvements as informed by steps a, b and c.

¹ Publicly available at: <http://cdm.unfccc.int/Meetings/MeetingInfo/DB/Y5JBDO6K1WSUC29/view>



The current approach, as approved by the Board, has the following final deliverables and timelines:

Table 1: Timeline of deliverables

| Product | Timeline |
|---------------------------------------------------------------------------|-----------------------------|
| Analysis and proposals for further strengthening the accreditation system | Q3 2012 (EB 68 and JISC 30) |
| Revised CDM accreditation standard (Phase II revision) | 2013 |
| Revision of CDM accreditation procedure | Q1 2013 |
| Revision of the procedure on performance monitoring of DOEs | Q1 2013 |
| Internal training/revision of internal processes/systems | Q1 2013 |

18. The proposal, in light of the previous efforts to align the JI accreditation procedure and the further decision adopted by the JISC at its twenty-fourth meeting with regard to option 3 of the streamlining concept note, is that following the input from the JI and CDM stakeholders on the revision of the key CDM documents, the relevant JI accreditation documentation is to be merged with that of the CDM.

VI. Recommendation to the JISC

21. The secretariat recommends that the JISC approve the proposed approach for the revision and full alignment of the CDM and JI key accreditation documentation within the proposed timelines (i.e. merging the accreditation procedures and the accreditation standards) as appropriate.

20. The adoption of the estimated timelines and the list of priority issues for the revision of key documentation and the adoption of proposed next steps, which includes the merging of the accreditation procedures and the accreditation standards, directly address the proposal of option 3 and in addition deliver the following benefits:

- (a) More effective, efficient and harmonized implementation of the accreditation process;
- (b) Better alignment with industry best practices;
- (c) Efficient use of secretariat, panel and assessment team resources;
- (d) Controlled and considered integration of the systems;
- (e) Continued independence and integrity of the two systems;
- (f) Utilization of synergy opportunities, in particular within the stakeholder consultation processes.



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 non-conformities within the system;
 - (b) Role of the designated operational entity (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) Suspension/withdrawal procedure in terms of timing, criteria, use and how they are perceived;
 - (k) Timelines for all steps and length of extensions of scope/re-accreditation assessments.

II. Accreditation standard

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

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**History of the document**

| Version | Date | Nature of revision |
|-------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------|
| 01.0 | 12 September 2012 | Initial publication as an annex to the annotated agenda of JISC30. |
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