

**CDM-2019SYN-INFO01**

## Regular report

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Synthesis report of the annual activity reports submitted by the DOEs for the reporting period 1 July 2018 to 30 June 2019

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Executive summary

1. This report provides information and analysis regarding the accreditation status of the 31 designated operational entities (DOEs) as of 30 June 2019. It provides information about the operations of these DOEs and their activities related to the clean development mechanism (CDM), as well as the challenges faced, and lessons learned, and on other activities the DOEs are conducting. The information is taken from the individual annual activity reports submitted by the DOEs, the CDM Information System and decisions of the Executive Board of the CDM (hereinafter referred to as the Board).
2. Several observations were drawn from the results presented in the synthesis report:
  - (a) There are 31 DOEs accredited as of 30 June 2019.
  - (b) During the reporting period, one new DOE was accredited and there were no withdrawals of accreditation;
  - (c) There are at least 12 DOEs accredited in each sectoral scope (excluding sectoral scope 16 on carbon capture and storage (CCS), where there are only two), indicating that there is sufficient coverage of accredited DOEs in each sectoral scope;
  - (d) Geographic coverage is also extensive, with more than half of the DOEs working in underrepresented countries with fewer than 10 registered CDM projects;
  - (e) An increase in validation/verification activities initiated by DOEs is observed during this reporting period;
  - (f) Most of the DOEs are active in other business activities that involve the validation or verification of greenhouse gases in schemes other than the CDM;
  - (g) Validation and verification services remain predominantly in the hands of approximately one-third of all DOEs (80 per cent of total registered projects and programmes of activities (validation), projects with renewed crediting periods (validation), included component project activities (validation), and certified emission reductions issued (verification) are finalized by 10 DOEs);
  - (h) There are more DOEs accredited for each sectoral scope, as compared to the last reporting period (1 July 2017 – 30 June 2018), showing an increasing trend;
  - (i) Twenty-one DOEs reported a higher income than expenditure, which is the highest number compared to the previous four reporting periods.

## 2. Synthesis Report

### 2.1. Introduction

3. In accordance with paragraph 27(g) of the “Modalities and procedures for a clean development mechanism”<sup>1</sup> and section 18 of the “CDM accreditation procedure”

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<sup>1</sup> Decision 3/CMP.1

version 14.0 (hereinafter referred to as the CDM accreditation procedure), DOEs shall submit an annual CDM activity report to the Board. Every year the secretariat produces a synthesis report of the annual activity reports submitted by the DOEs.

4. The present document is a synthesis report of the annual activity reports submitted by DOEs for the reporting period from 1 July 2018 to 30 June 2019 (2018–2019).
5. For comparative purposes, there are data from the previous four reporting periods, i.e. 1 July 2014 to 30 June 2015 (2014–2015), 1 July 2015 to 30 June 2016 (2015–2016), 1 July 2016 to 30 June 2017 (2016–2017), and 1 July 2017 to 30 June 2018 (2017–2018).<sup>2</sup>
6. The deadline for submission of the annual activity report by all the DOEs was 30 September 2019. Of the 31 DOEs that were accredited as of 30 June 2019, 29 DOEs submitted their annual activity reports and supporting documentation (i.e. synthesis report of the work of the impartiality committee) within the deadline. Two DOEs submitted the annual activity report and the synthesis report of the work of the impartiality committee after the deadline.
7. The data were submitted by DOEs using the form CDM-AAR-FORM (version 5.1). In addition, this synthesis report draws on other data sources such as the CDM Information System and decisions by the Board.
8. With the increase in number of requests for renewal of crediting periods of project activities and included component project activities (CPAs) of programmes of activities (PoAs), validation activities referred to in this report correspond to validation activities for the registration of project activities and PoAs, the renewal of crediting periods of project activities, and the inclusion of CPAs.

## **2.2. Accreditation status**

### **2.2.1. Sectoral scope(s) accredited for and date of accreditation**

9. During the reporting period, one new DOE was accredited, and there was no withdrawal of accreditation.
10. Accredited sectoral scopes are taken from the accreditation certificates. The data are presented in a summary and in table 1 as follows:
  - (a) Average number of sectoral scopes a DOE is accredited for: (*10, 9, 9, 9*) **10**;
  - (b) Number of DOEs accredited in 15 sectoral scopes: (*8, 7, 8, 6*) **7** (this includes two DOEs that are accredited for all 16 scopes);
  - (c) Occurrences of suspension during the reporting period: (*1, 2, 2, 1*) **0**.

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<sup>2</sup> The data from the previous reporting periods are stated, respectively, in italics in parentheses. When parentheses contain fewer than four figures, the last figure represents data from the 2017–2018 reporting period with the previous figure being the data from the reporting period prior to 2017–2018, and so on.

**Table 1. Accreditation status of DOEs (as of 30 June 2019)**

Ref.	Entity	Country	Sectoral scope <sup>3</sup> for validation/verification
E-0001	Japan Quality Assurance Organisation (JQA)	Japan	1, 3-5, 10, 13, 14
E-0005	TÜV SÜD South Asia Private Limited (TÜV SÜD)	India	1, 3-5, 7, 10, 11, 13-15
E-0006	Deloitte Tohmatsu Sustainability, Co., Ltd. (DTSUS)	Japan	1-3, 5, 10, 12, 13, 15
E-0009	Bureau Veritas India Pvt. Ltd. (BVI)	India	1-5, 7-10, 12-15
E-0011	Korea Energy Agency (KEA)	Republic of Korea	1, 3-5, 7, 9, 11-15
E-0016	ERM Certification and Verification Services Ltd. (ERM CVS)	United Kingdom	1, 3-5, 8-10, 13
E-0020	GHD Limited (GHD)	Canada	1, 4, 5, 8-10, 12, 13
E-0021	AENOR INTERNACIONAL, S.A.U. (AENOR)	Spain	1-15
E-0022	TÜV NORD CERT GmbH (TÜV Nord)	Germany	1-16
E-0023	Lloyd's Register Quality Assurance Ltd. (LRQA)	United Kingdom	1-3, 7, 13
E-0024	Colombian Institute for Technical Standards and Certification (ICONTEC)	Colombia	1-3, 7, 13, 14
E-0025	Korean Foundation for Quality (KFQ)	Republic of Korea	1-5, 9, 11, 13, 15
E-0032	LGAI Technological Center, S.A. (LGAJ)	Spain	1, 3, 13
E-0034	China Environmental United Certification Center Co., Ltd. (CEC)	China	1-15
E-0037	RINA Services S.p.A. (RINA)	Italy	1-7, 9-11, 13-15
E-0039	Korean Standards Association (KSA)	Republic of Korea	1-5, 9, 10, 13
E-0044	China Quality Certification Center (CQC)	China	1-15
E-0046	China Classification Society Certification Company (CCSC)	China	1-10, 13
E-0047	CEPREI certification body (CEPREI)	China	1-5, 8-10, 13, 15
E-0050	Hong Kong Quality Assurance Agency (HKQAA)	China	1

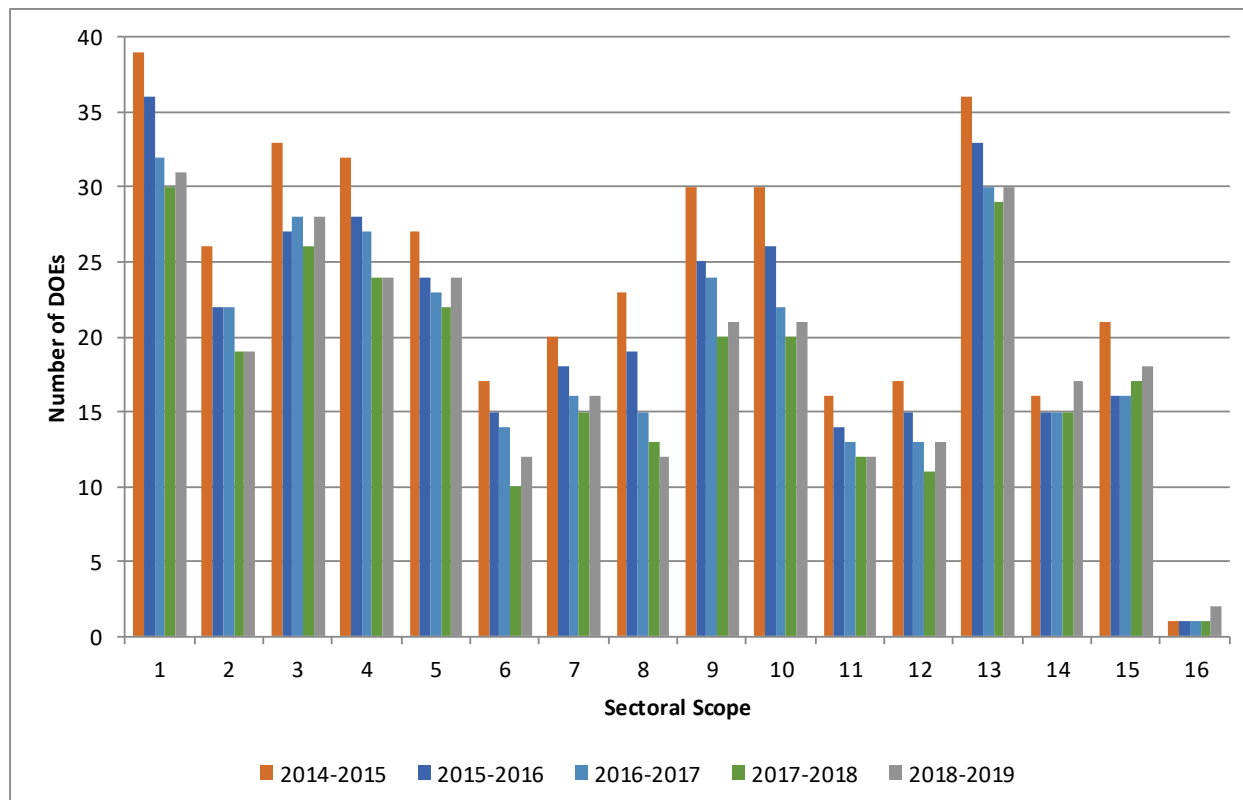
<sup>3</sup> The sectoral scopes are defined in the CDM accreditation standard (v.7) (CDM-EB46-A02-STAN) as follows: 1: Energy industries (renewable/non-renewable sources); 2: Energy distribution; 3: Energy demand; 4: Manufacturing industries; 5: Chemical industry; 6: Construction; 8: Mining/mineral production; 9: Metal production; 10: Fugitive emissions from fuels (solid, oil and gas); 11: Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride; 12: Solvents use; 13: Waste handling and disposal; 14: Afforestation and reforestation; 15: Agriculture; 16: Carbon capture and storage of carbon dioxide (CO<sub>2</sub>) in geological formations.

Ref.	Entity	Country	Sectoral scope <sup>3</sup> for validation/verification
E-0051	KBS Certification Services Pvt. Ltd (KBS)	India	1, 3-5, 7, 9, 10, 12-15
E-0052	Carbon Check (India) Private Ltd. (Carbon Check)	India	1, 3-5, 9, 10, 13, 14
E-0054	Re Carbon Gözetim Denetim ve Belgelendirme Limited Sirketi (Re Carbon)	Turkey	1-4, 9, 13, 15
E-0056	Korea Testing & Research Institute (KTR)	Republic of Korea	1, 3-5, 11, 13
E-0058	Foundation for Industrial Development - Management System Certification Institute (Thailand) (MASCI)	Thailand	1, 13
E-0061	Shenzhen CTI International Certification Co., Ltd (CTI)	China	1-15
E-0062	EPIC Sustainability Services Pvt. Ltd. (EPIC)	India	1-16
E-0065	China Building Material Test and Certification Group Co., Ltd (CTC)	China	1-4, 6, 9, 10, 13
E-0066	Earthood Services Private Limited (Earthood)	India	1, 3-7, 9, 10, 13-15
E-0067	China Certification Center, Inc. (CCCI)	China	1-15
E-0069	4K Earth Science Private Limited (4KES)	India	1-3, 5, 6, 12-15

11. All the DOEs (31) are accredited in sectoral scope 1 and the least number of DOEs (2) are accredited in sectoral scope 16. Figure 1 below provides an overview of how many DOEs were accredited per sectoral scope. In general, the number of DOEs accredited for each sectoral scope has decreased, as compared to the previous four reporting periods, except for sectoral scopes 15 and 16. This decrease is, in part, attributed to the decrease in the total number of accredited DOEs over time. However, it is also observed that there are more DOEs accredited for each sectoral scope, as compared to the last reporting period, showing an increasing trend.<sup>4</sup>

<sup>4</sup> As compared to the reporting period 2017 – 2018, there is only one sectoral scope 8 which shows a decreasing trend.

**Figure 1. Number of DOEs accredited for each sectoral scope**



**2.2.2. Sectoral scopes applied for and status of application**

12. Regarding the changes in sectoral scopes during the reporting period:

- (a) Number of DOEs maintaining the sectoral scopes for which they are accredited: (35, 30, 26, 24) **25**;
- (b) Number of DOEs reducing the sectoral scopes for which they are accredited (i.e. partial withdrawals and fewer sectoral scopes applied for during reaccreditation): (4, 7, 3, 4) **1**;
- (c) Number of DOEs increasing the sectoral scopes for which they are accredited (i.e. extension of scope): (0, 0, 3, 2) **5**.

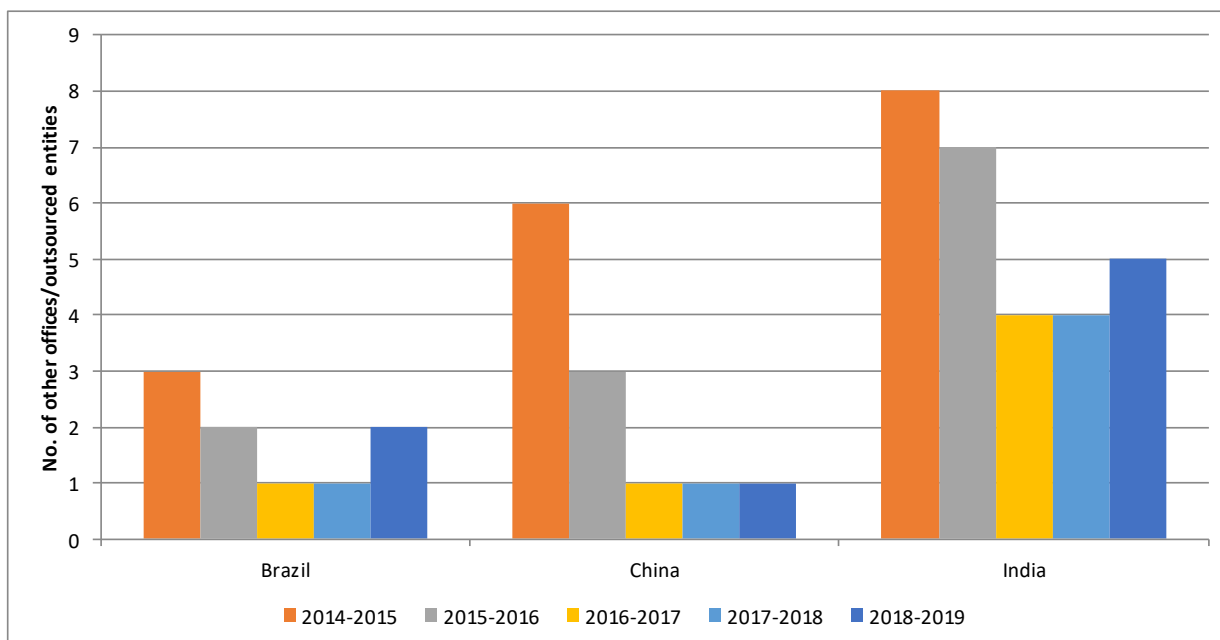
**2.3. Organization**

**2.3.1. Outsourced entities of the DOE**

13. In accordance with the CDM accreditation standard, a DOE may outsource one or more validation and verification/certification functions to outsourced entities/other legal entities.

14. The DOEs reported the outsourced entities/other legal entities to which the DOEs outsourced one or more validation and verification/certification functions within the reporting period as follows:
- (a) Total number of DOEs having outsourced entities: (8, 6, 3, 2) **4**;
  - (b) Average number of declared outsourced entities per DOE: (2, 2, 2, 2) **2**;
  - (c) Highest number of outsourced entities reported by a DOE: (4, 4, 3, 3) **3**.
15. Figure 2 below shows the countries where the outsourced entities/other legal entities are located, the highest represented countries being India with (8, 7, 4, 4) **5 DOEs**, Brazil with (3, 2, 1, 1) **2 DOEs**, and China with (6, 3, 1, 1) **1 DOE**.

**Figure 2. Location and number of outsourced entities/other legal offices**



### 2.3.2. Use of DOE’s internal personnel

16. The DOEs reported the number of internal personnel as follows. (this is the first time that this number is reported by DOEs):
- (a) Average number of internal personnel utilized per DOE: **13**
  - (b) Highest number of internal personnel utilized by a DOE: **46**

### 2.3.3. Use of external personnel

17. In accordance with the CDM accreditation standard, DOEs may make use of external validators, verifiers and technical experts.



18. The DOEs reported on the use of external personnel that had taken place within the reporting period as follows:
- (a) Total number of DOEs utilizing external personnel: (34, 35, 29, 26) **26**;
  - (b) Average number of external personnel utilized per DOE: (18, 14, 14, 16) **19**;
  - (c) Highest number of external personnel utilized by a DOE: (62, 47, 45, 56) **82**.

#### 2.3.4. Complaints, disputes and appeals on CDM-related activities

19. Section 14 of the CDM accreditation standard relates to the handling of complaints, disputes and appeals received by the DOE.
20. The DOEs reported on the complaints, disputes and appeals that had been received during the reporting period as follows:
- (a) Number of DOEs reporting receiving complaints, disputes or appeals: (4, 1, 0, 2) **2**;
  - (b) Number of complaints, disputes or appeals received by DOEs from project participants: (3, 1, 0, 1) **2**;
  - (c) Total number of complaints, disputes and appeals received: (2014–2015: 4 complaints; 2015–2016: 1 dispute; 2016–2017: no complaints, disputes, or appeals; 2017–2018: 2 complaints) **2 complaints**;
  - (d) Highest number of complaints, disputes and appeals received by one DOE: (2014–2015: 1 (1 complaint); 2015–2016: 1 (1 dispute); 2016–2017: 0; 2017–2018: 1 (1 complaint)) **1 complaint**.

#### 2.3.5. CDM-related training undertaken

21. Twenty-seven DOEs reported conducting CDM-related training:<sup>5</sup>
- (a) Average number of training sessions per DOE: (4, 6, 6, 6) **6**;
  - (b) Average duration of training session: (7, 7, 6, 8) **6** hours;
  - (c) Average number of participants per session: (10, 11, 10, 9) **12**;
  - (d) Highest number of training sessions for a DOE: (25, 32, 26, 68) **43**.
22. Of the 162 CDM-related training sessions, 111 were internal and 46 were conducted by external providers. A further five training sessions were provided in combination with external providers.
- (a) The equivalent figures for the 2017–2018 reporting period were: 157 CDM-related training sessions, for which 94 were internal and 56 were conducted by external providers. A further seven training sessions were provided in combination with external providers.
  - (b) The equivalent figures for the 2016–2017 reporting period were: 148 CDM-related training sessions, for which 113 were internal and 28 were conducted by external

<sup>5</sup> The level of detail as reported varied across the DOEs for this section.

providers. A further seven training sessions were provided in combination with external providers.

- (c) The equivalent figures for the 2015–2016 reporting period were: 177 CDM-related training sessions, for which 140 were internal and 33 were conducted by external providers. A further four training sessions were provided in combination with external providers.
- (d) The equivalent figures for the 2014–2015 reporting period were: 133 CDM-related training sessions, for which 102 were internal and 17 were conducted by external providers. A further 14 training sessions were provided in combination with external providers.

23. There were (40, 10, 24, 41) **34** training providers which can be categorized as follows:

- (a) Gold Standard;
- (b) Individual consultants or consulting companies;
- (c) National departments or governmental organizations;
- (d) Other DOEs or certification bodies;
- (e) Universities or institutes;
- (f) Energy, environment, research or training centers, agencies.

## **2.4. Activities relating to the consideration of project activities**

### **2.4.1. Status of project activities**

24. Information regarding project activities was taken from the CDM Information System and from information provided by the DOEs.

25. Information on the CDM projects that the DOEs had worked on during the reporting period is presented in the following summary and table 2:

- (a) Ten DOEs were responsible for 82 per cent of the validation of projects initiated during the period:
  - (i) 2017–2018: 10 DOEs were responsible for 84 per cent;
  - (ii) 2016–2017: 10 DOEs were responsible for 88 per cent;
  - (iii) 2015–2016: 10 DOEs were responsible for 73 per cent;
  - (iv) 2014–2015: 10 DOEs were responsible for 75 per cent.
- (b) Ten DOEs were responsible for 83 per cent of the verification of projects initiated during the period:
  - (i) 2017–2018: 10 DOEs were responsible for 87 per cent;
  - (ii) 2016–2017: 10 DOEs were responsible for 84 per cent;
  - (iii) 2015–2016: 10 DOEs were responsible for 80 per cent;

(iv) 2014–2015: 10 DOEs were responsible for 72 per cent.

**Table 2. Status of project activities<sup>6</sup>**

Validation status		No. of validation activities	No. of verification activities
A	Initiated during this reporting period <sup>7</sup>	(2013, 193, 335, 190) <b>363</b>	(403, 487, 590, 355) <b>316</b>
B	Contract terminated during this reporting period	(157, 155, 63, 96) <b>51</b>	(74, 157, 118, 84) <b>85</b>
C	Validation/verification ongoing as of final date of the reporting period (not yet submitted for registration/request for issuance)	(518, 507, 346, 186) <b>271</b>	(318, 376, 312, 196) <b>242</b>
D	Registered, renewed or CPA included (validation)/certified emission reductions issued (verification) during this reporting period	(115, 83, 55, 30) <sup>8</sup> <b>288</b>	(528, 460, 559, 396) <b>269</b>
E	Rejected during this reporting period	(3, 1, 3, 2) <sup>9</sup> <b>2</b>	(1, 1, 1, 1) <b>4</b>

26. Figure 3 below indicates the distribution of registered validations and verifications among the DOEs. The figure indicates that one-third of the DOEs play a critical role in providing service to most of the international needs for CDM validation and verification services.

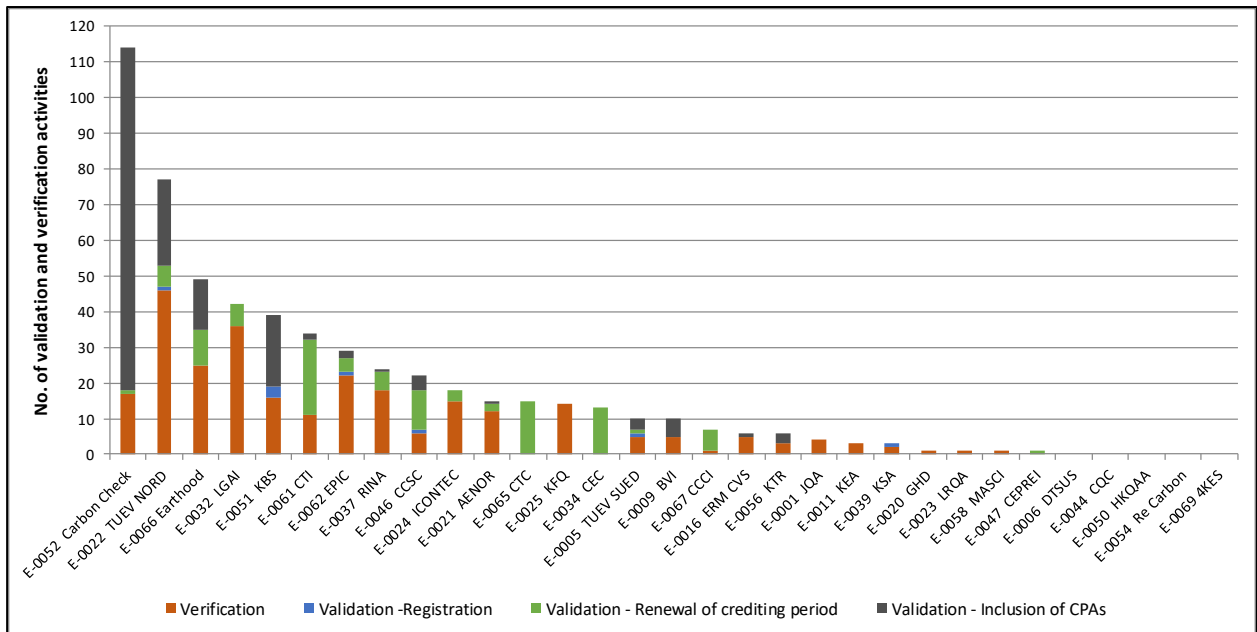
<sup>6</sup> Items A, B and C are based on the information collected from the DOEs' annual activity reports and items D and E are taken from the CDM Information System.

<sup>7</sup> For the purpose of this report, "initiated during this reporting period" is considered to be validation or verification/certification work that began during this period.

<sup>8</sup> Figures for previous reporting periods do not include validation activities for renewal of crediting period of project activities and inclusion of CPAs.

<sup>9</sup> See footnote 8.

**Figure 3. Distribution of validations and verifications among the DOEs**

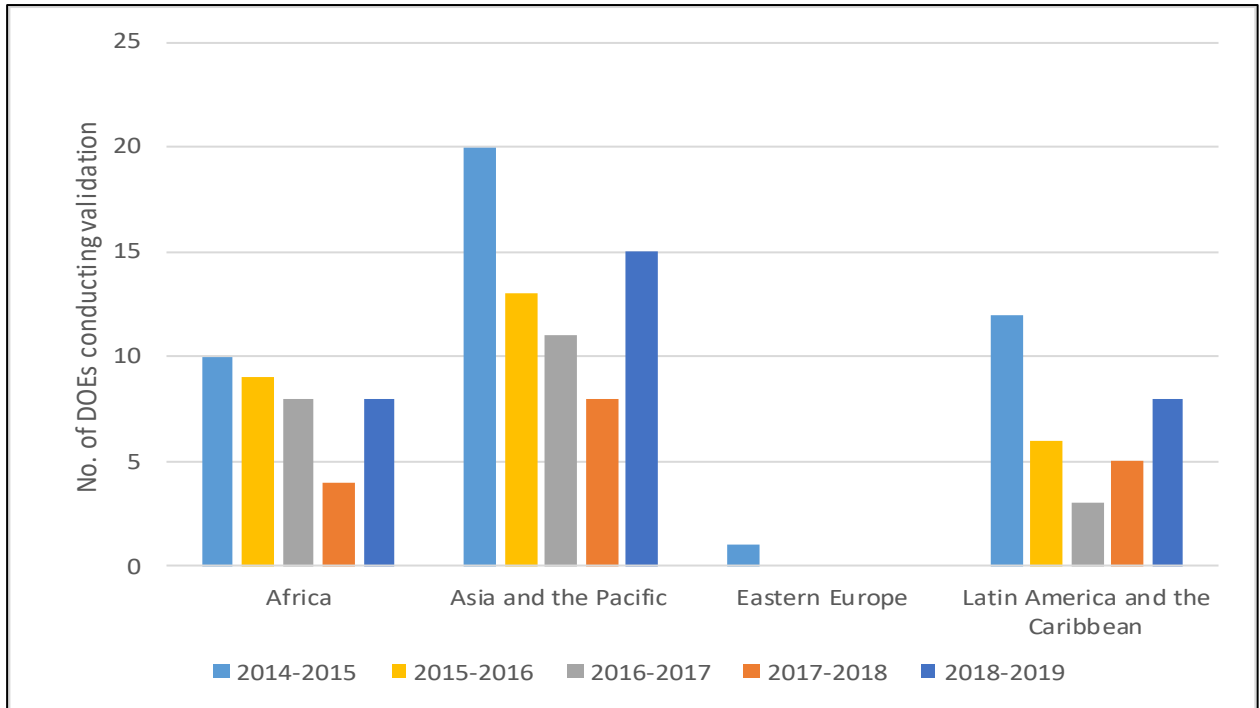


**2.4.2. Regional distribution of project activities**

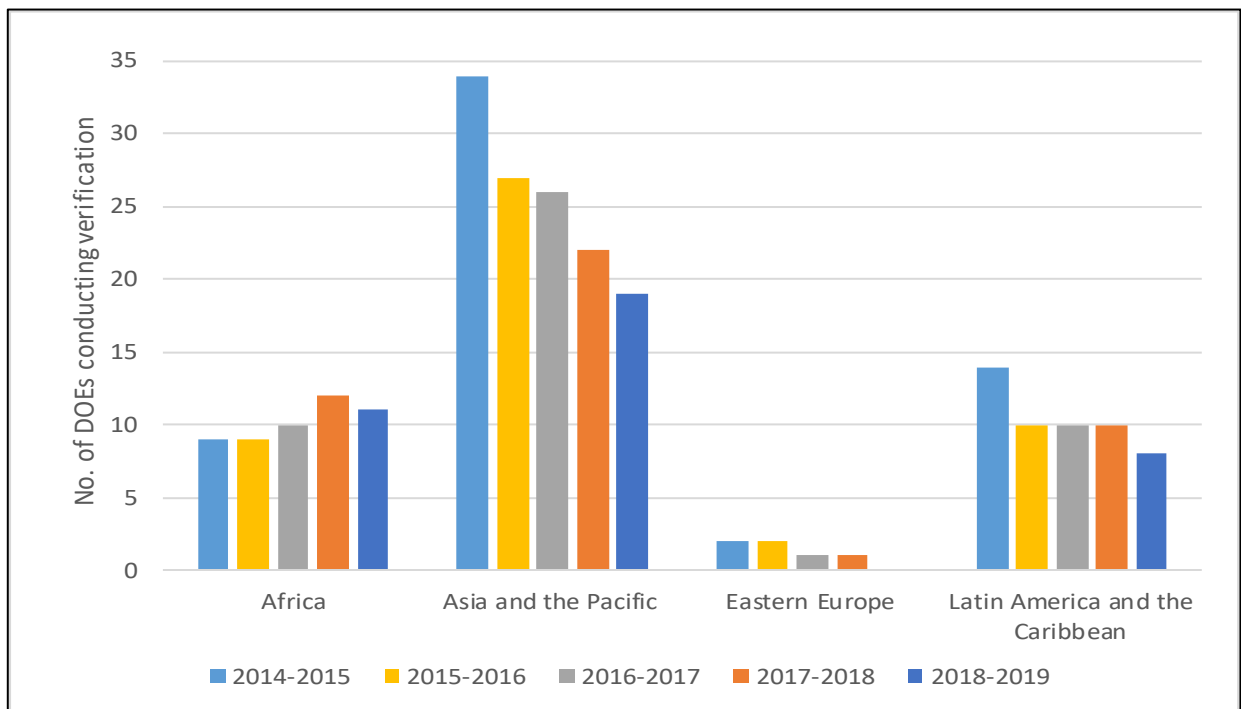
27. Figures 4 to 9 below provide an overview of validation and verification of project activities and PoAs during the reporting period (by region) as compared to the previous reporting period.<sup>10</sup>

<sup>10</sup> See footnote 8.

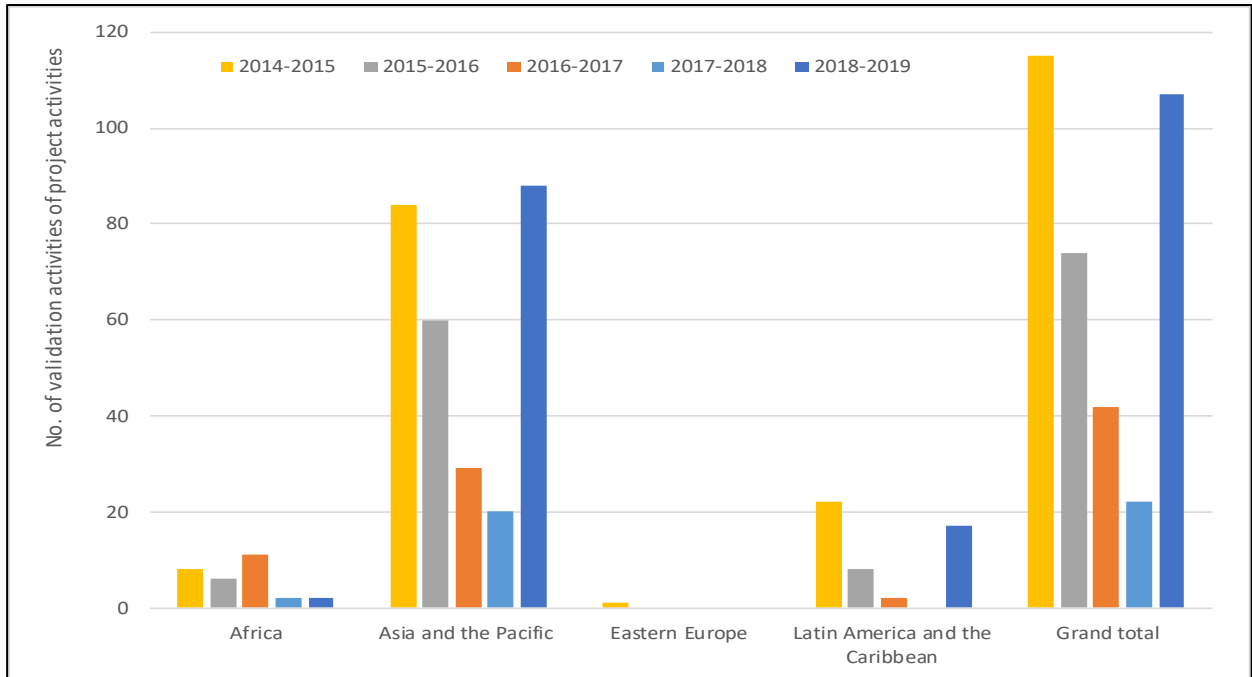
**Figure 4. Number of DOEs conducting validation activities**



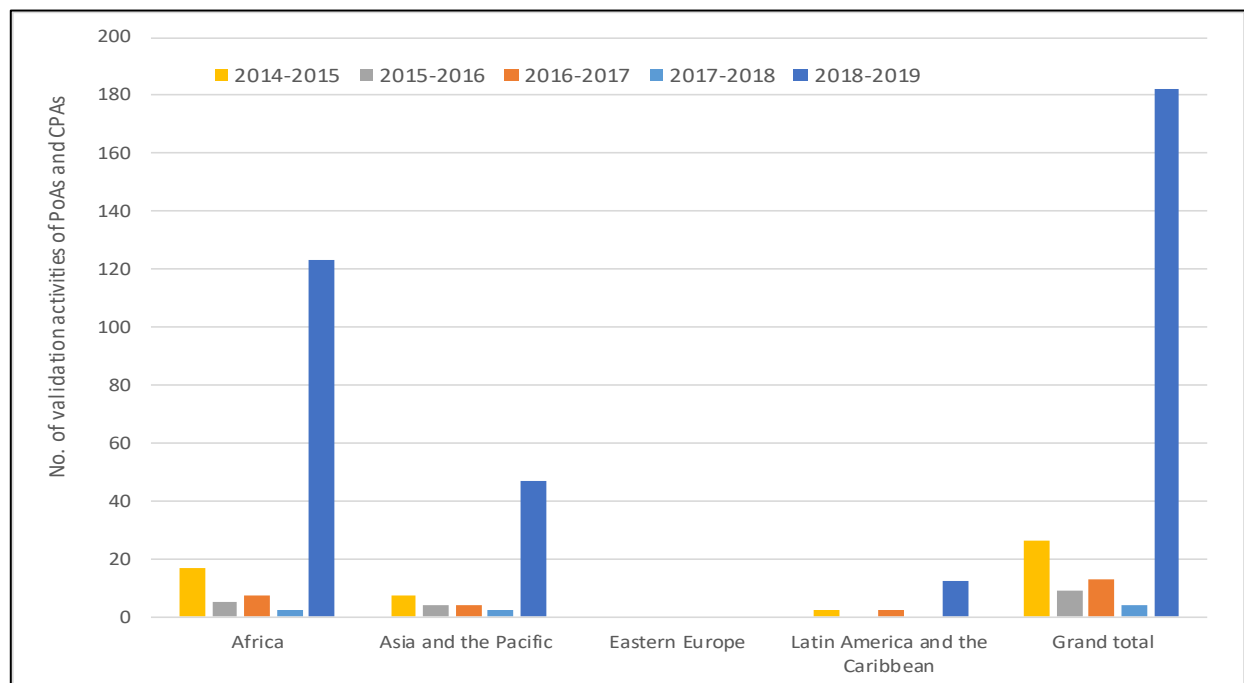
**Figure 5. Number of DOEs conducting verification activities**



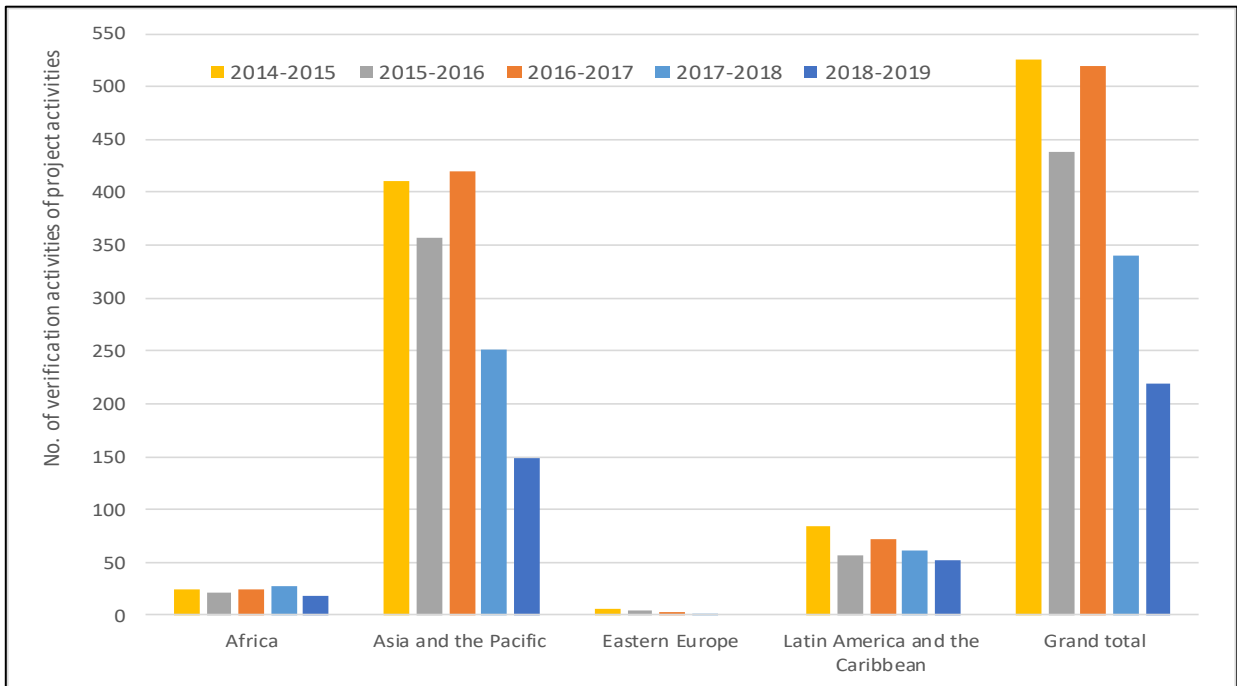
**Figure 6. Number of validation activities of project activities**



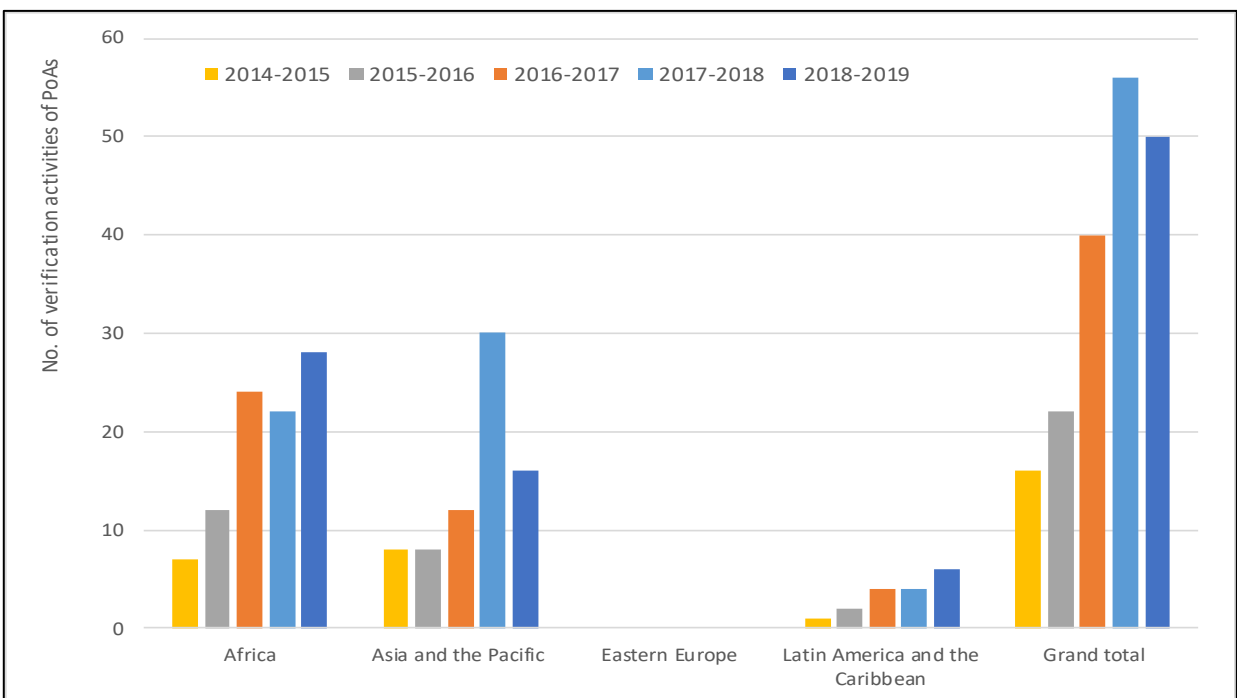
**Figure 7. Number of validation activities of PoAs and CPAs**



**Figure 8. Number of verification activities of project activities**



**Figure 9. Number of verification activities of PoAs**



**2.4.3. Distribution of activities by sectoral scope**

28. The distribution of work per sectoral scope shown in table 3 was taken from the CDM Information System.

**Table 3. Number of validation and verification activities per sectoral scope<sup>11</sup>**

Sectoral scope	No. of validation activities	No. of active DOEs (validation)	No. of verification activities	No. of active DOEs (verification)
1	(105, 58, 49, 30) <b>134</b>	(24, 16, 14, 11) <b>17</b>	(405, 347, 463, 280) <b>152</b>	(25, 28, 28, 25) <b>22</b>
2	(1, 1, 0, 1) <b>0</b>	(1, 1, 0, 1) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>
3	(20, 9, 6, 1) <b>155</b>	(7, 4, 6, 1) <b>10</b>	(22, 27, 41, 45) <b>37</b>	(9, 7, 8, 7) <b>7</b>
4	(12, 2, 6, 1) <b>0</b>	(8, 1, 5, 1) <b>0</b>	(18, 13, 28, 9) <b>6</b>	(11, 8, 8, 5) <b>5</b>
5	(1, 1, 1, 0) <b>0</b>	(1, 1, 1, 0) <b>0</b>	(16, 0, 22, 25) <b>19</b>	(5, 0, 6, 6) <b>6</b>
6	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>
7	(2, 0, 0, 0) <b>0</b>	(2, 0, 0, 0) <b>0</b>	(4, 3, 2, 2) <b>2</b>	(4, 3, 1, 2) <b>2</b>
8	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(15, 10, 13, 5) <b>3</b>	(3, 4, 3, 2) <b>1</b>
9	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(2, 0, 2, 3) <b>2</b>	(2, 0, 2, 2) <b>2</b>
10	(1, 3, 1, 0) <b>0</b>	(1, 2, 1, 0) <b>0</b>	(28, 16, 15, 5) <b>3</b>	(6, 8, 5, 2) <b>1</b>
11	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(5, 1, 4, 4) <b>1</b>	(2, 1, 2, 2) <b>1</b>
12	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>
13	(9, 6, 3, 1) <b>14</b>	(6, 5, 2, 1) <b>8</b>	(88, 66, 82, 54) <b>51</b>	(21, 18, 17, 16) <b>13</b>
14	(0, 10, 0, 0) <b>0</b>	(3, 1, 0, 0) <b>0</b>	(1, 2, 0, 3) <b>7</b>	(1, 1, 0, 2) <b>3</b>
15	(0, 0, 0, 0) <b>3</b>	(0, 0, 0, 0) <b>1</b>	(18, 16, 17, 15) <b>14</b>	(7, 5, 6, 5) <b>3</b>
16	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>	(0, 0, 0, 0) <b>0</b>

**2.4.4. Project activities or PoAs declined by DOEs**

29. A DOE may decline validation and verification work for several reasons. The DOEs submitted information on the number of assignments for which they declined to perform validation or verification/certification in the reporting period as follows:

- (a) Number of DOEs reporting that they had declined projects: (4, 3, 6, 1) **5**;
- (b) Total number of assignments reported as declined for all DOEs: (>4, >5, >13, 2) **13**;
- (c) Number of different countries in which assignments were declined: (13, >4, >4, >9, 3) **9**;
- (d) Top country in terms of the number of assignments declined by entities: India (5).
  - (i) 2017–2018: Costa Rica (1), Mali (1) and Democratic Republic of Congo (1)

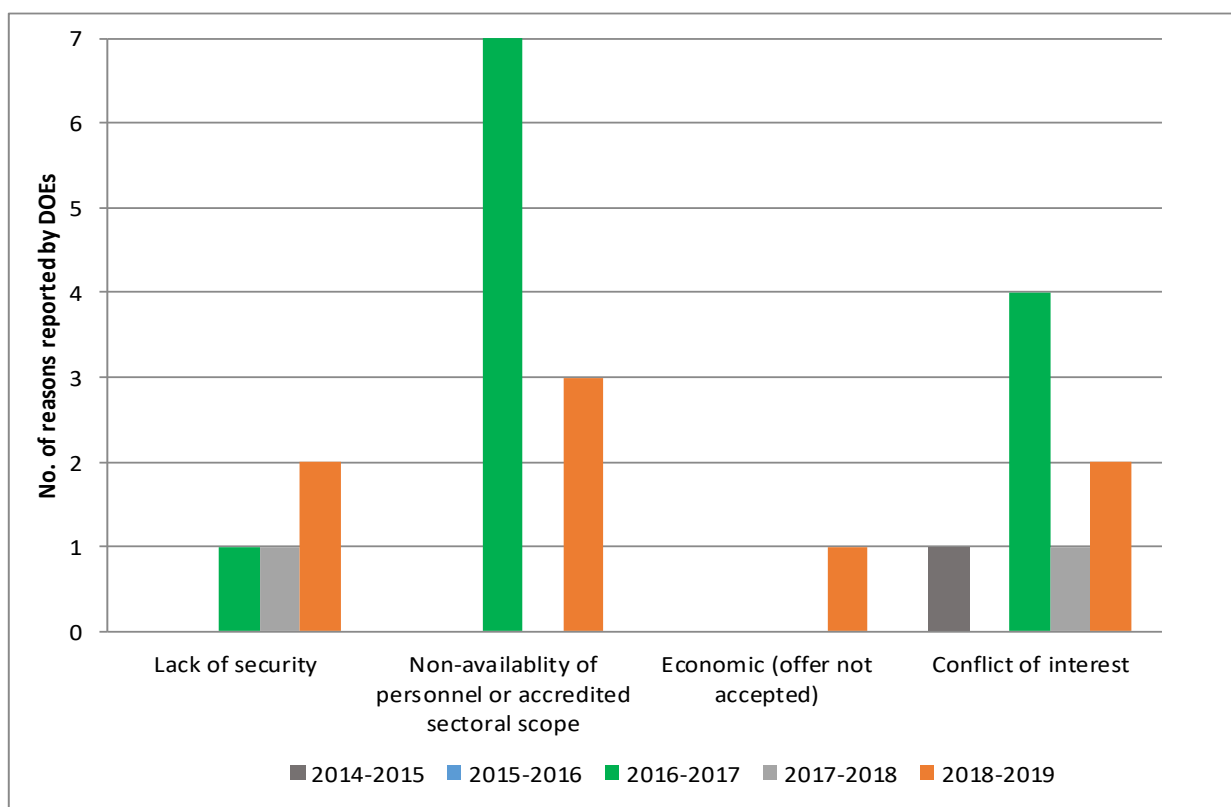
<sup>11</sup> See footnote 8.



- (ii) 2016–2017: India (3), Guatemala (>3), Chile (1), Colombia (1), Malawi (1), Malaysia (1), Myanmar (1), Niger (1), Nigeria (1) and Peru (1);
- (iii) 2015–2016: Nepal (2), Colombia (1), Peru (1), Republic of South Africa (1);
- (iv) 2014–2015: India (>1), Brazil (2);

30. The reasons for declining the project activities or PoAs were categorized into four main reasons, non-availability of personnel or accredited sectoral scope (3), lack of security (2), conflict of interest (2), and economic (1). Figure 10 shows the comparison of the reasons for declining projects or PoAs in the last five reporting periods.

**Figure 10. Comparison of reasons for declining projects**



**2.4.5. Validation and verification activities in countries with fewer than 10 registered project activities and PoAs**

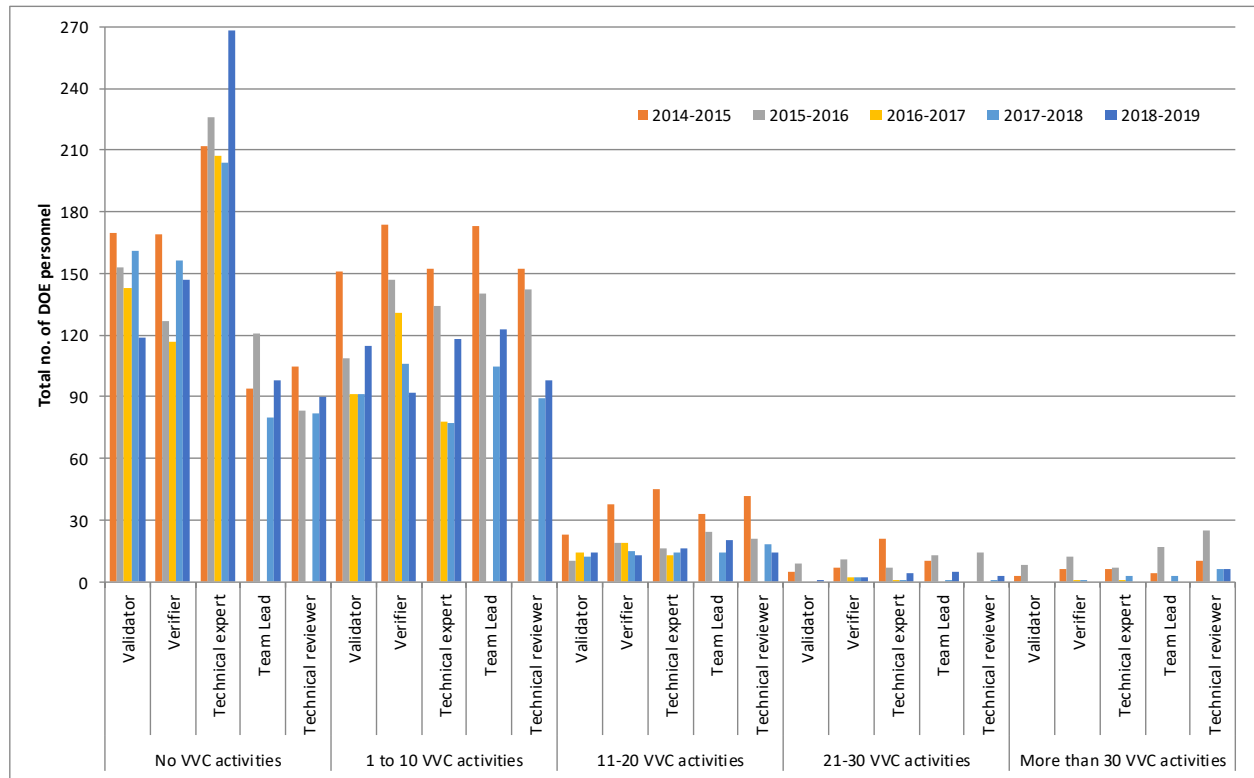
- 31. Sixteen DOEs successfully concluded validation and verification activities of project activities, CPAs and PoAs in underrepresented countries with fewer than 10 registered projects/PoAs (as of 30 June 2019) (14, 9, 9, 13).<sup>12</sup>
- 32. Seventeen validation activities and 19 verification activities were conducted during the reporting period in underrepresented countries with fewer than 10 registered projects/PoAs.

<sup>12</sup> See footnote 8.

**2.4.6. Validation or verification/certification activities per qualified auditor**

33. Figure 11 below shows how many cases individuals worked on during the reporting period. The data were reported by DOEs per validator, verifier, lead auditor, technical expert and technical reviewer.

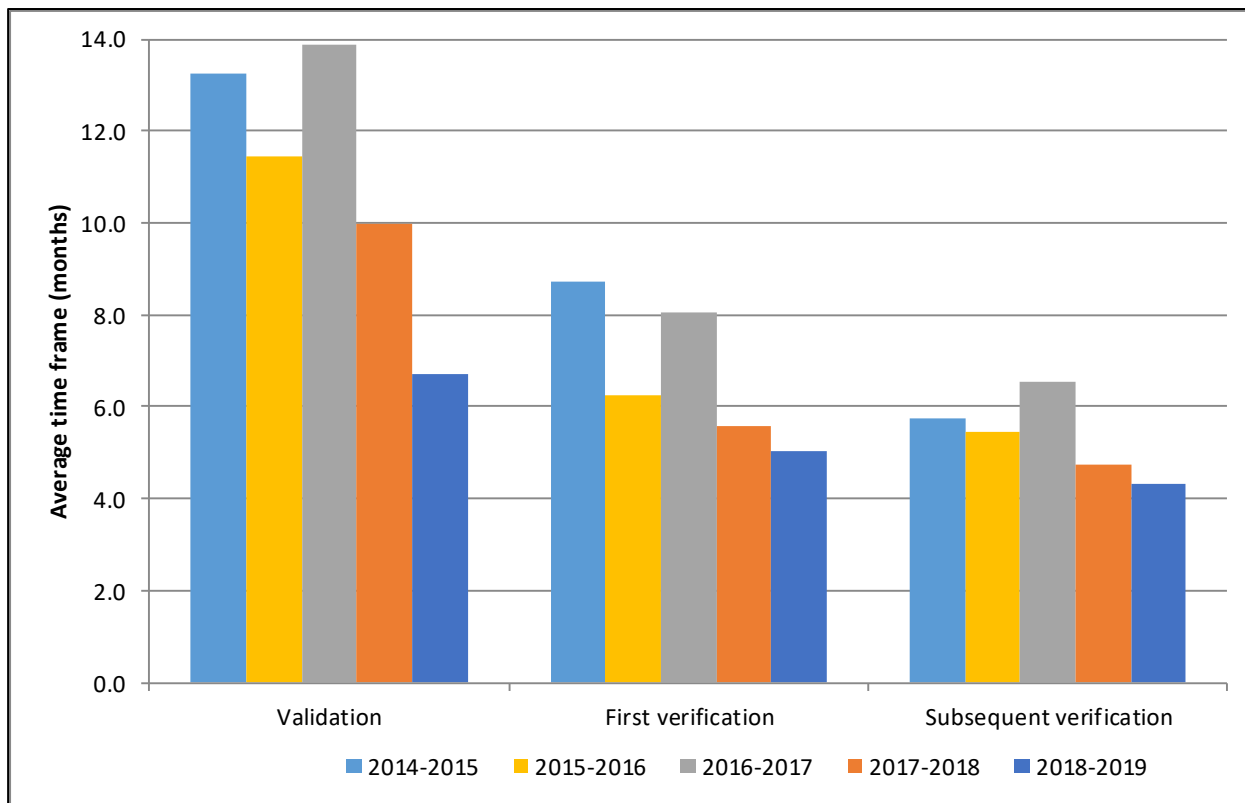
**Figure 11. Comparison of workload per auditor type**



**2.4.7. Time frames for conducting validation and verification/certification**

34. The DOEs submitted information regarding their average time frames for conducting validations, verifications and subsequent verifications. The time frame is considered as the time from signing the contract until the validation or verification is submitted to the Board. Figure 12 shows the average time frames reported by the DOEs. The time frames in each region are described in table 4 and table 5.

**Figure 12. Average time frames for validation, verification and subsequent verification**



**Table 4. Average minimum and maximum time frames for a validation per region (in months)**

Region	Average shortest reported time frame	Average longest reported time frame
Africa	(3.9, 2.3, 2.8, 10.0) <b>2.0</b>	(16.9, 34.3, 20.8, 31.9) <b>10.0</b>
Asia and the Pacific	(3.9, 4.6, 5.5, 7.0) <b>2.0</b>	(18.2, 30.9, 23.6, 15.0) <b>24.0</b>
Eastern Europe	(5.2, 11.4, 13.9, 9.0) <b>4.0</b>	(15.6, 22.9, 20.8, 19.9) <b>8.0</b>
Latin America and the Caribbean	(9.1, 8.0, 4.2, 7.0) <b>4.0</b>	(27.3, 53.8, 20.8, 24.9) <b>12.0</b>

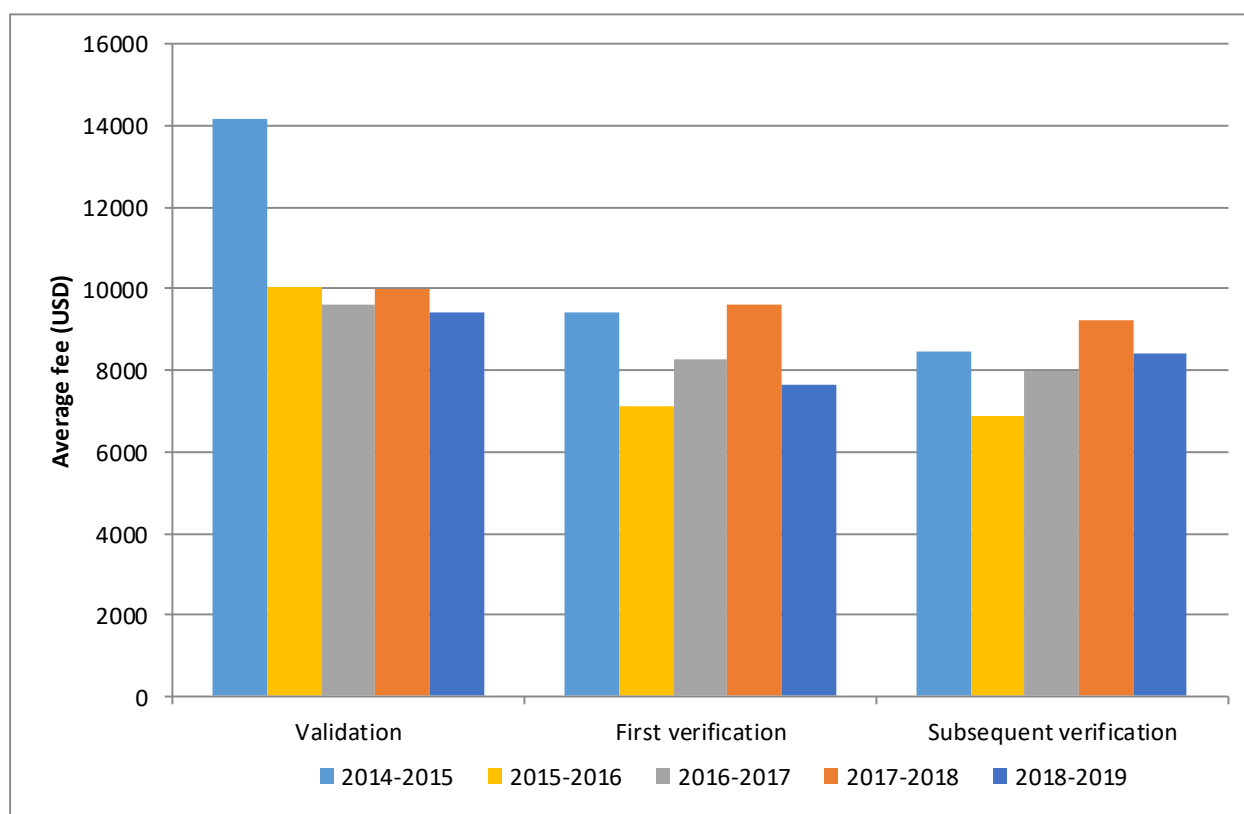
**Table 5. Average minimum and maximum time frames for a first verification per region**

Region	Average shortest reported time frame	Average longest reported time frame
Africa	(2.7, 1.3, 1.6, 5.6) <b>2.0</b>	(11.7, 18.8, 12.1, 17.9) <b>11.0</b>
Asia and the Pacific	(2.7, 2.5, 3.2, 3.9) <b>2.5</b>	(12.6, 16.9, 13.7, 8.4) <b>10.0</b>
Eastern Europe	(3.6, 6.3, 8.0, 5.0) <b>3.3</b>	(10.8, 12.5, 12.1, 11.2) <b>4.0</b>
Latin America and the Caribbean	(6.3, 4.4, 2.4, 3.9) <b>2.5</b>	(18.9, 29.4, 12.1, 14.0) <b>10.0</b>

#### 2.4.8. Average fees for validation and verification/certification service

35. The DOEs submitted information regarding the average fees in United States dollars (USD) for conducting validations, verifications and subsequent verifications. Figure 13 shows the average fees reported by the DOEs. The average fees for each region and for each activity type are presented in tabular format in tables 6, 7, 8 and 9.

**Figure 13. Average fees for validation, verification and subsequent verification**



**Table 6. Average minimum and maximum fees for a validation in each region (in USD)**

Region	Average minimum reported fee	Average maximum reported fee
Africa	(2000, 8327, 8654, 8994) <b>3000</b>	(42000, 31226, 19231, 24983) <b>27300</b>
Asia and the Pacific	(990, 4163, 3846, 6995) <b>1100</b>	(39200, 14572, 11539, 14990) <b>28000</b>
Eastern Europe	(4875, 10409, 9616, 9993) <b>4000</b>	(39200, 20817, 19231, 19986) <b>15000</b>
Latin America and the Caribbean	(1320, 9368, 7692, 5996) <b>4688</b>	(52500, 31226, 23077, 29979) <b>16448</b>

**Table 7. Average minimum and maximum fees for a verification in each region (in USD)**

Region	Average minimum reported fee	Average maximum reported fee
Africa	(1824, 5912, 7296, 8469) <b>2730</b>	(26000, 22172, 16213, 23525) <b>22000</b>
Asia and the Pacific	(810, 2956, 3243, 6587) <b>1100</b>	(24000, 10347, 9728, 14115) <b>23000</b>
Eastern Europe	(5000, 7391, 8107, 9410) <b>3520</b>	(18000, 14781, 16213, 18820), <b>14000</b>
Latin America and the Caribbean	(1080, 6652, 6485, 5646) <b>3840</b>	(24000, 22172, 19456, 28230) <b>16500</b>

**Table 8. Average minimum and maximum fees for a validation for each activity type (in USD)**

Activity type	Average minimum reported fee	Average maximum reported fee
Large scale project activity	(11349, 8327, 6731, 8994) <b>1300</b>	(22699, 21858, 19231, 12991) <b>30000</b>
Small scale project activity	(5675, 3123, 6731, 6995) <b>800</b>	(17024, 13531, 12500, 12991) <b>25000</b>
PoA	(8512, 5204, 5769, 5996) <b>3000</b>	(45397, 27062, 21154, 24983) <b>28000</b>

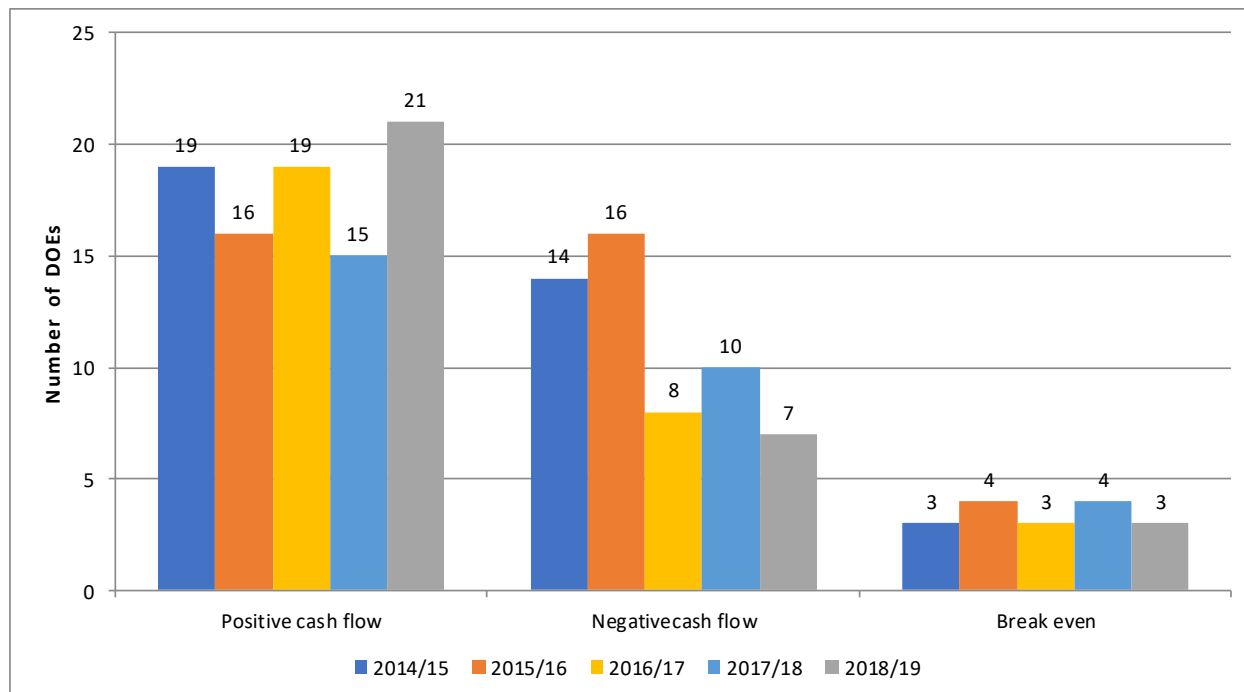
**Table 9. Average minimum and maximum fees for a verification for each activity type (in USD)**

Activity type	Average minimum reported fee	Average maximum reported fee
Large scale project activity	(7095, 5906, 5675, 8469) <b>1800</b>	(14190, 15503, 16213, 12233) <b>26000</b>
Small scale project activity	(3547, 2215, 5675, 6587) <b>800</b>	(10642, 9597, 10539, 12233) <b>22000</b>
PoA	(5321, 3691, 4864, 5646) <b>2700</b>	(28379, 19194, 17834, 23525) <b>25000</b>

## 2.5. Financial statement

36. The DOEs submitted information on annual income and expenditure (in USD) relating to CDM activities (validation and verification).
37. Figure 14 shows the balance of income and expenditure for the last five reporting periods.

**Figure 14. Income and expenditure trend**



38. During the reporting period:

- (a) Twenty-one DOEs (i.e. 68 per cent) reported a higher income than expenditure, which is the highest number as compared to the previous four reporting periods;
- (b) Seven DOEs reported a lower income than expenditure;
- (c) Three DOEs reported an equal income and expenditure.

## 2.6. Challenges and lessons learned

39. Twenty-six DOEs submitted further comments regarding challenges and lessons learned during the reporting period. The wide range of responses have been grouped into five areas, as follows:

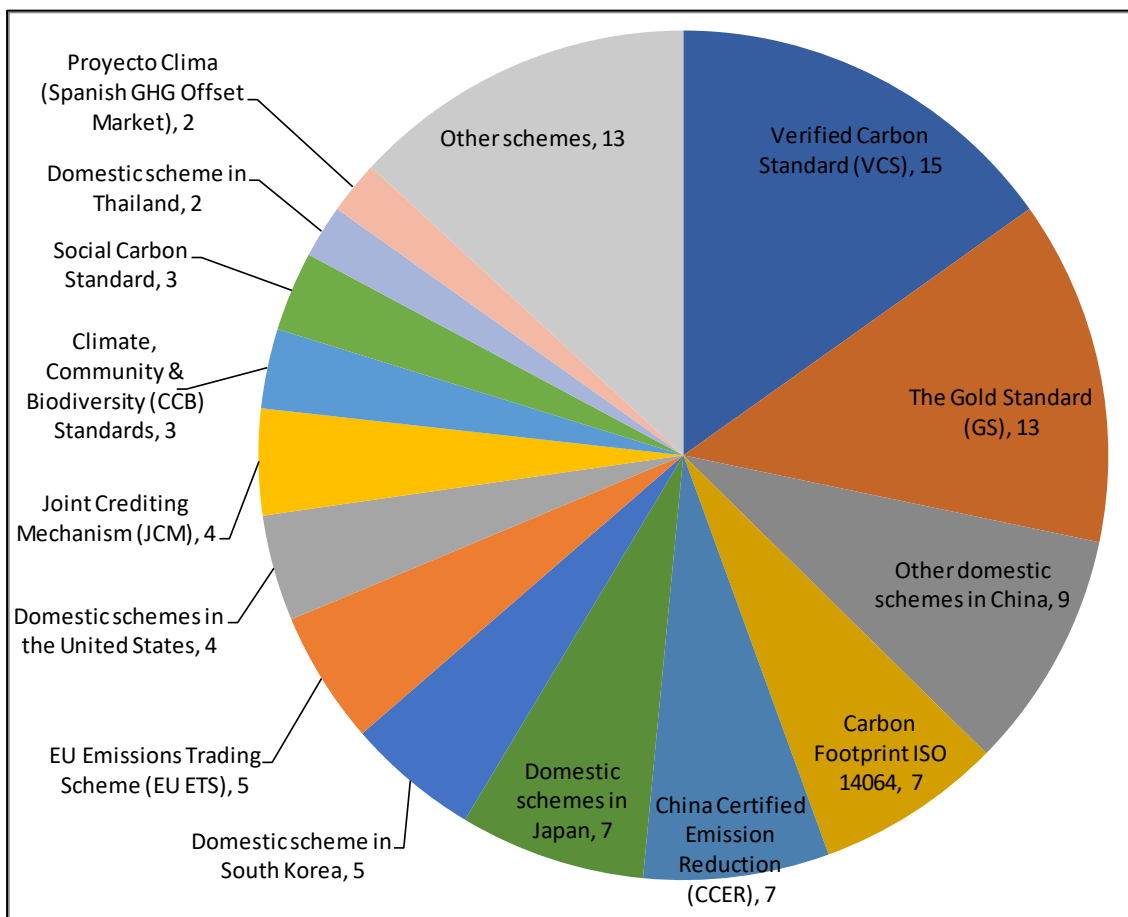
- (a) Low price of certified emission reductions and the decrease in the volume of validation and verification work. For some DOEs, this has led to difficulties in maintaining the accreditation in terms of the cost;
- (b) Lack of opportunities to practice and implement the updated CDM requirements, due to the low volume of projects;
- (c) Experience with the CDM and current market conditions having provided opportunities to seek and support other certification business;
- (d) Service fee competition among DOEs;

- (e) DOEs having expectations of the market-based mechanism from the Paris Agreement. Some DOEs, however, consider there is still uncertainty on the implementation of the Paris Agreement.

**2.7. Other business activities**

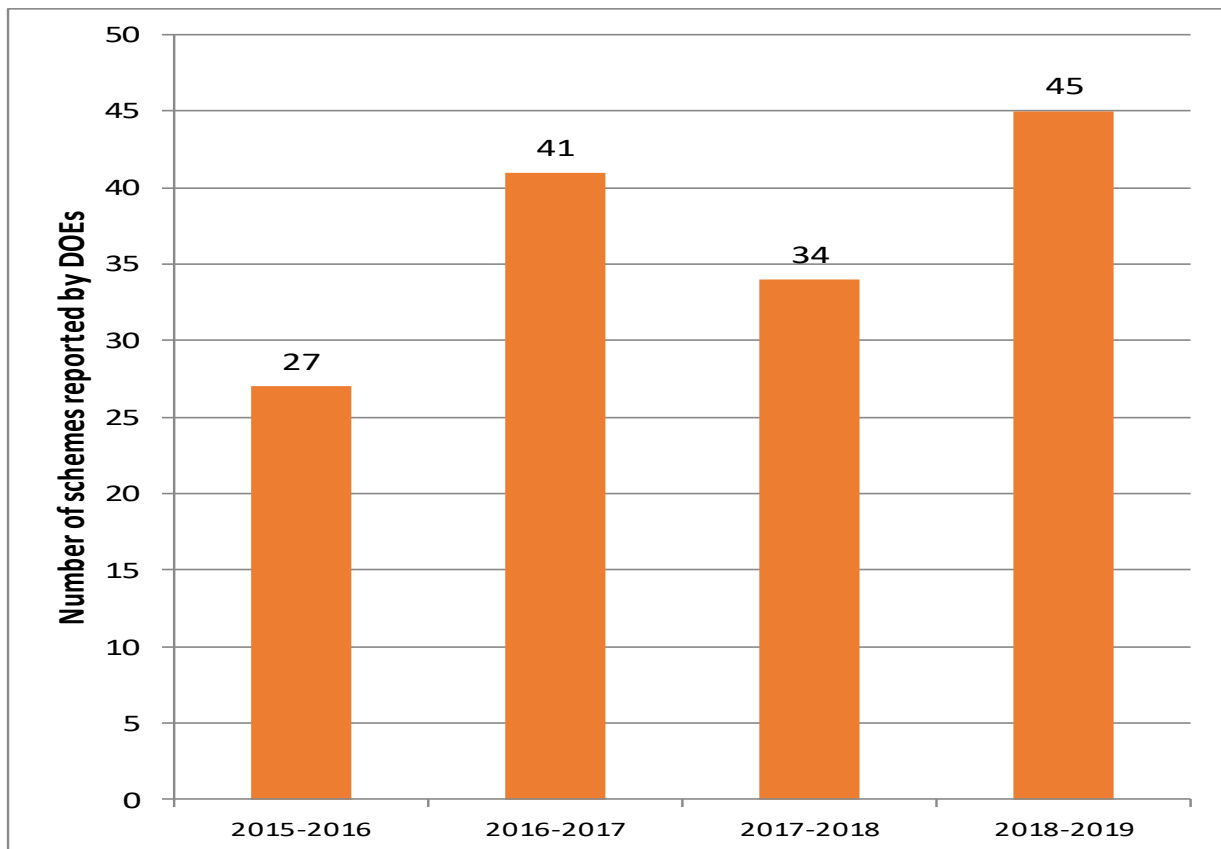
- 40. Twenty-eight DOEs reported other business activities that involve validation or verification of greenhouse gas assertions in schemes other than the CDM.
- 41. The most frequently listed schemes in addition to the CDM are provided in figure 15.

**Figure 15. Number of DOEs reporting greenhouse gas validation and verification services in addition to the CDM**



- 42. The number of other schemes reported by the DOEs for the last four reporting period is shown in figure 16.

**Figure 16. Number of other schemes reported by the DOEs**



43. Most of the DOEs are active in greenhouse gas business activities that involve validation or verification of greenhouse gases in schemes other than the CDM, with the DOEs reporting 99 activities (2015-2016: 91 activities; 2016-2017: 101 activities; 2017-2018: 89 activities).
44. Most the DOEs that reported working on other schemes listed the Gold Standard, Verified Carbon Standard, and regional or national initiatives (e.g. China national and regional carbon markets, regional emission trading schemes in Japan, and the European Union Emission Trading Scheme). The DOEs have also identified synergies between the CDM and some of the schemes listed, which include using the status as DOE under CDM, using the knowledge and competence under CDM, and having similar methodologies to those under CDM or methodologies developed from CDM methodologies.
45. These synergies, as reported by several DOEs, have enabled them to provide validation and verification services under other schemes and obtain auditing experience for their auditors.
46. Some DOEs also recognized that the status of DOE under the CDM gives confidence to their clients and competitive advantages to enter other greenhouse gas schemes.

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