

CDM-2021SYN-INFO01

Synthesis report of the annual activity reports submitted by the designated operational entities for the reporting period 1 July 2020 to 30 June 2021

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 29 designated operational entities (DOEs) as of 30 June 2021. It provides information on 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 29 DOEs accredited as of 30 June 2021;
 - (b) During the reporting period, accreditation of one DOE expired;
 - (c) There are at least 12 DOEs accredited in each sectoral scope (excluding sectoral scope 16 on carbon capture and storage, where there are only 3), 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) The DOEs completed more verification activities during this reporting period as compared to the last two reporting periods (1 July 2018–30 June 2019 and 1 July 2019–30 June 2020);
 - (f) While the total number of validation and verification activities has decreased as compared to the previous reporting period, an increase in validation activities for the renewal of programme of activities (PoA) period and verification activities for PoAs is observed in comparison to the previous reporting period. For verification activities for PoAs, the reported figure is the highest in comparison to the previous four reporting periods;
 - (g) Most of the DOEs are active in other business activities that involve the validation or verification of greenhouse gases (GHGs) in schemes other than the CDM;
 - (h) Validation and verification services remain predominantly in the hands of approximately one-third of all DOEs (78 per cent of (i) total registered projects and PoAs (validation); (ii) projects and component project activities (CPAs) with renewed crediting periods (validation); (iii) PoAs with renewed PoA period (validation); (iv) included CPAs (validation); and (v) certified emission reductions issued (verification) are finalized by 10 DOEs);
 - (i) While in general the number of accredited DOEs for most sectoral scopes has decreased, there are more DOEs accredited for sectoral scopes 5, 14, 15 and 16 as compared to the previous four reporting periods. The number of accredited DOEs under these sectoral scopes during this reporting period is the highest in comparison to the previous four reporting periods;
 - (j) An increasing trend in the average fees for validation and verification/certification service is observed;

- (k) Three DOEs reported lower income than expenditure, which is the lowest number compared to the previous four reporting periods.

2. Synthesis report

2.1. Introduction

1. In accordance with paragraph 27(g) of the “Modalities and procedures for a clean development mechanism” and section 18 of the “CDM accreditation procedure” (ver. 15.0), 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.
2. The present document is a synthesis report of the annual activity reports submitted by DOEs for the reporting period from 1 July 2020 to 30 June 2021 (2020–2021).
3. For comparative purposes, the report includes data from the previous four reporting periods (i.e. 1 July 2016 to 30 June 2017 (2016–2017), 1 July 2017 to 30 June 2018 (2017–2018), 1 July 2018 to 30 June 2019 (2018–2019) and 1 July 2019 to 30 June 2020 (2019–2020)).¹
4. The deadline for submission of the annual activity report by all the DOEs was 30 September 2021. Of the 29 DOEs that were accredited as of 30 June 2021, 28 DOEs submitted their annual activity reports and supporting documentation (i.e. synthesis report of the work of the Impartiality Committee).
5. It is to be noted that accreditation of one DOE (i.e. E-0050 Hong Kong Quality Assurance Agency (HKQAA)) expired during the reporting period. For reporting purposes, the activities carried out by this DOE are included in this synthesis report.
6. The data were submitted by DOEs using the form CDM-AAR-FORM (ver. 5.1). In addition, this synthesis report draws on other data sources such as the CDM Information System and decisions by the Board.
7. With the increase in the number of requests for (i) renewal of crediting periods of project activities and included CPAs of PoAs; and (ii) renewal of PoA period, 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 CPAs, the renewal of PoA period, and the inclusion of CPAs.

2.2. Accreditation status

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

8. During the reporting period, the accreditation of one DOE expired.

¹ The data from the previous reporting periods are stated in chronological order in italics in parentheses. When parentheses contain fewer than four figures, the last figure represents data from the 2019–2020 reporting period with the previous figure being the data from the reporting period prior to 2019–2020, and so on.

9. 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: (9, 9, 10, 10) **10**;
- (b) Number of DOEs accredited in 15 sectoral scopes: (8, 6, 7, 7) **7** (this includes three DOEs that are accredited for all 16 sectoral scopes);
- (c) Occurrences of suspension during the reporting period: (2, 1, 0, 0) **0**.

Table 1. Accreditation status of designated operational entities (as of 30 June 2021)

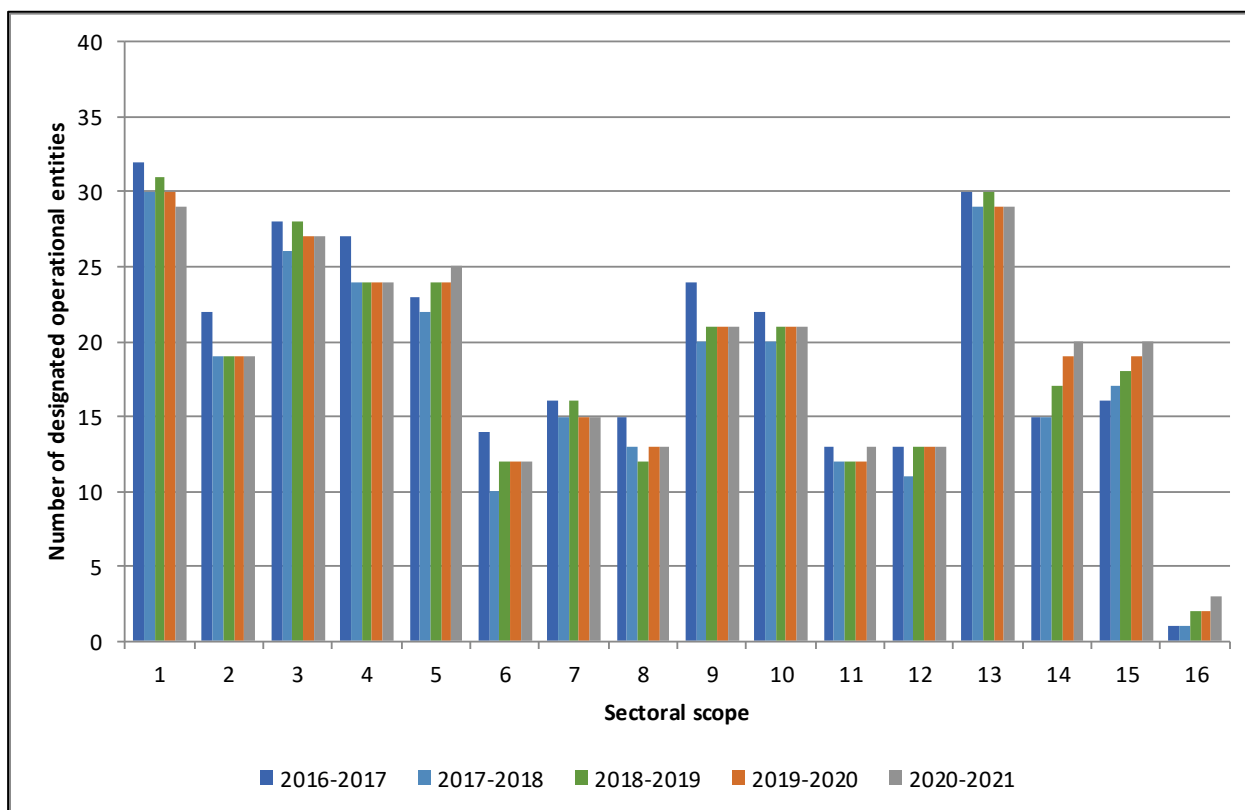
Ref.	Entity	Country	Sectoral scope for validation/verification
E-0001	Japan Quality Assurance Organisation (JQA)	Japan	1, 3-5, 10, 13, 14
E-0005	TÜV SÜD South Asia Private Limited (TÜV SÜD)	India	1, 3-5, 7, 10, 11, 13-15
E-0006	Deloitte Tohmatsu Sustainability, Co., Ltd. (DTSUS)	Japan	1-3, 5, 10, 12, 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 Limited (ERM CVS)	United Kingdom of Great Britain and Northern Ireland	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-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. (LGA Tech. Center S.A)	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, 13-15
E-0044	China Quality Certification Center (CQC)	China	1-15
E-0046	China Classification Society Certification Company (CCSC)	China	1-10, 13, 14
E-0047	CEPREI certification body (CEPREI)	China	1-5, 8-10, 13, 15

Ref.	Entity	Country	Sectoral scope for validation/verification
E-0051	KBS Certification Services Pvt. Ltd (KBS)	India	1-5, 7-10, 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	1-6, 9-11, 13-16
E-0066	Earthood Services Private Limited (Earthood)	India	1, 3-7, 9, 10, 13-15
E-0067	China Certification Center, Inc. (CCC)	China	1-15
E-0069	4K Earth Science Private Limited (4KES)	India	1-3, 5, 6, 12-15

Note: The sectoral scopes are defined in the CDM accreditation standard (ver. 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 in geological formations.

10. All the DOEs (29) are accredited in sectoral scope 1, and the lowest number of DOEs (3) 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. This decrease, in part, is attributed to the decrease in the total number of accredited DOEs over time. However, an increase in the number of accredited DOEs is observed for sectoral scopes 5, 14, 15 and 16 as compared to the previous four reporting periods.

Figure 1. Number of designated operational entities accredited for each sectoral scope



2.2.2. Sectoral scopes applied for and status of application

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

- (a) Number of DOEs maintaining the sectoral scopes for which they are accredited: (26, 24, 25, 27) **27**;
- (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): (3, 4, 1, 0) **0**;
- (c) Number of DOEs increasing the sectoral scopes for which they are accredited (i.e. extension of scope): (3, 2, 5, 3) **2**.

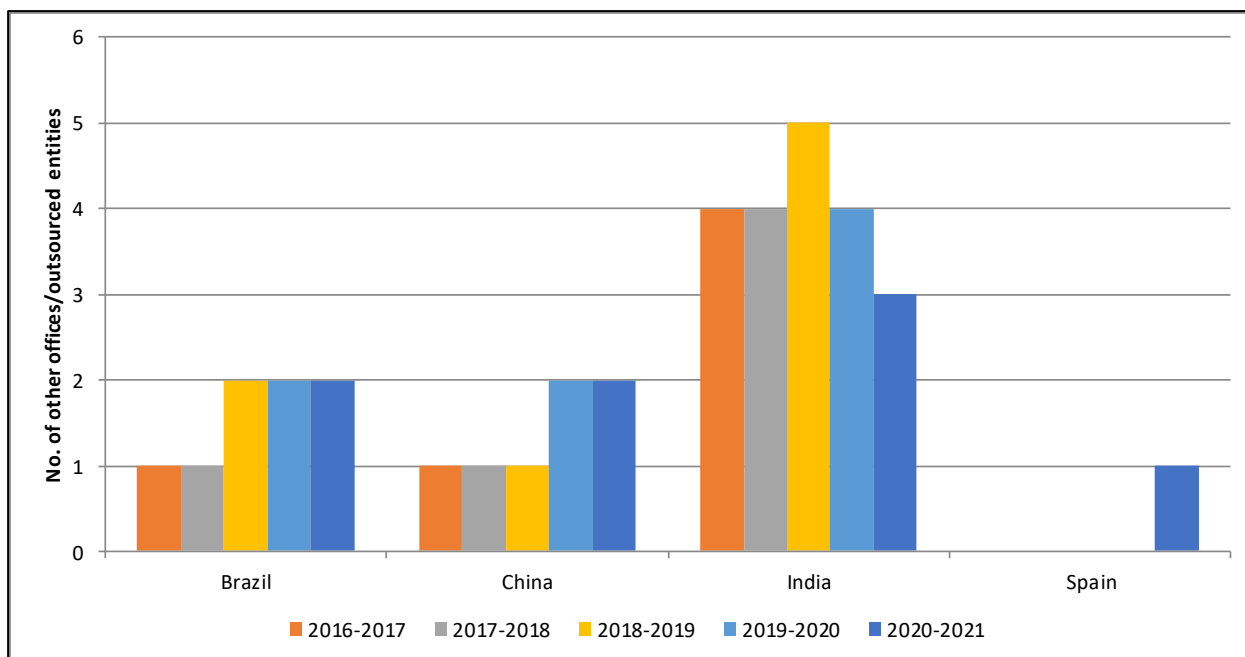
2.3. Organization

2.3.1. Outsourced entities of the designated operational entity

12. 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.

13. 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: (3, 2, 4, 3) **3**;
 - (b) Average number of declared outsourced entities per DOE: (2, 2, 2, 2.7) **2.7**;
 - (c) Highest number of outsourced entities reported by a DOE: (3, 3, 3, 3) **3**.
14. Figure 2 below shows the countries where the outsourced entities/other legal entities are located, the highest represented countries being India with (4, 4, 5, 4) **3 entities**, followed by Brazil with (1, 1, 2, 2) **2 entities**, China with (1, 1, 1, 2) **2 entities**, and Spain (0, 0, 0, 0) 1 entity.

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



2.3.2. Use of designated operational entities’ internal personnel

15. The DOEs reported the number of internal personnel as follows:
- (a) Average number of internal personnel utilized per DOE: (13, 13) **13**;
 - (b) Highest number of internal personnel utilized by a DOE: (46, 33) **40**.

2.3.3. Use of external personnel

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

17. 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: (29, 26, 26, 24) **26**;
 - (b) Average number of external personnel utilized per DOE: (14, 16, 19, 17) **15**;
 - (c) Highest number of external personnel utilized by a DOE: (45, 56, 82, 74) **62**.

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

18. Section 14 of the CDM accreditation standard relates to the handling of complaints, disputes and appeals received by the DOE.
19. 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: (0, 2, 2, 0) **0**;
 - (b) Number of complaints, disputes or appeals received by DOEs from project participants: (0, 1, 2, 0) **0**;
 - (c) Total number of complaints, disputes and appeals received: (2016–2017: no complaints, disputes, or appeals; 2017–2018: 2 complaints; 2018–2019: 2 complaints; 2019–2020: no complaints, disputes, or appeals) **0**;
 - (d) Highest number of complaints, disputes and appeals received by one DOE: (2016–2017: 0; 2017–2018: 1 (1 complaint); 2018–2019: 1 (1 complaint); 2019–2020: 0) **0**.

2.3.5. CDM-related training undertaken

20. Twenty-six DOEs reported conducting CDM-related training:²
- (a) Average number of training sessions per DOE: (6, 6, 6, 6) **6**;
 - (b) Average duration of training session: (6, 8, 6, 7) 5 hours;
 - (c) Average number of participants per session: (10, 9, 12, 12) **13**;
 - (d) Highest number of training sessions for a DOE: (26, 68, 43, 56) **54**.
21. Of the 167 CDM-related training sessions, 117 were internal and 39 were conducted by external providers. A further 11 training sessions were provided in combination with external providers. The information regarding trainings in the previous reporting periods is as follows:
- (a) The equivalent figures for the 2019–2020 reporting period were: 163 CDM-related training sessions, for which 94 were internal and 53 were conducted by external providers. A further 16 training sessions were provided in combination with external providers;

² The level of detail as reported varied across the DOEs for this section.

- (b) The equivalent figures for the 2018–2019 reporting period were: 162 CDM-related training sessions, for which 111 were internal and 46 were conducted by external providers. A further five training sessions were provided in combination with external providers;
 - (c) 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;
 - (d) 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 providers. A further seven training sessions were provided in combination with external providers.
22. In addition to DOEs providing their own trainings, there were (24, 41, 34, 30) **27** training providers which can be categorized as follows:
- (a) Energy, environment, research or training centers, agencies;
 - (b) Gold Standard;
 - (c) National, regional or local governmental organizations or agencies;
 - (d) Other DOEs or certification bodies, or accreditation bodies;
 - (e) Universities or institutes.

2.4. Activities relating to the consideration of project activities

2.4.1. Status of project activities

23. Information regarding project activities was taken from the CDM Information System and from information provided by the DOEs.
24. 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 contributed to 89 per cent of the validation of projects initiated during the period:
 - (i) 2019–2020: 10 DOEs contributed to 84 per cent;
 - (ii) 2018–2019: 10 DOEs contributed to 82 per cent;
 - (iii) 2017–2018: 10 DOEs contributed to 84 per cent;
 - (iv) 2016–2017: 10 DOEs contributed to 88 per cent;
 - (v) 2015–2016: 10 DOEs contributed to 73 per cent;
 - (b) Ten DOEs contributed to 89 per cent of the verification of projects initiated during the period:
 - (i) 2019–2020: 10 DOEs contributed to 85 per cent;

- (ii) 2018–2019: 10 DOEs contributed to 83 per cent;
- (iii) 2017–2018: 10 DOEs contributed to 87 per cent;
- (iv) 2016–2017: 10 DOEs contributed to 84 per cent;
- (v) 2015–2016: 10 DOEs contributed to 80 per cent.

Table 2. Status of project activities

	Validation status	No. of validation activities	No. of verification activities
A	Initiated during this reporting period ^(a)	(335, 190, 363, 586) 445	(590, 355, 316, 396) 483
B	Contract terminated during this reporting period	(63, 96, 51, 88) 159	(118, 84, 85, 65) 97
C	Validation/verification ongoing as of final date of the reporting period (not yet submitted for registration/request for issuance)	(346, 186, 271, 265) 149	(312, 196, 242, 260) 299
D	Registered, renewed or CPA included (validation)/certified emission reductions issued (verification) during this reporting period	(55, 30, 288, 470) 343^(b)	(559, 396, 269, 305) 393
E	Rejected during this reporting period	(3, 2, 2, 3) 4^(c)	(1, 1, 4, 2) 4

Note: 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.

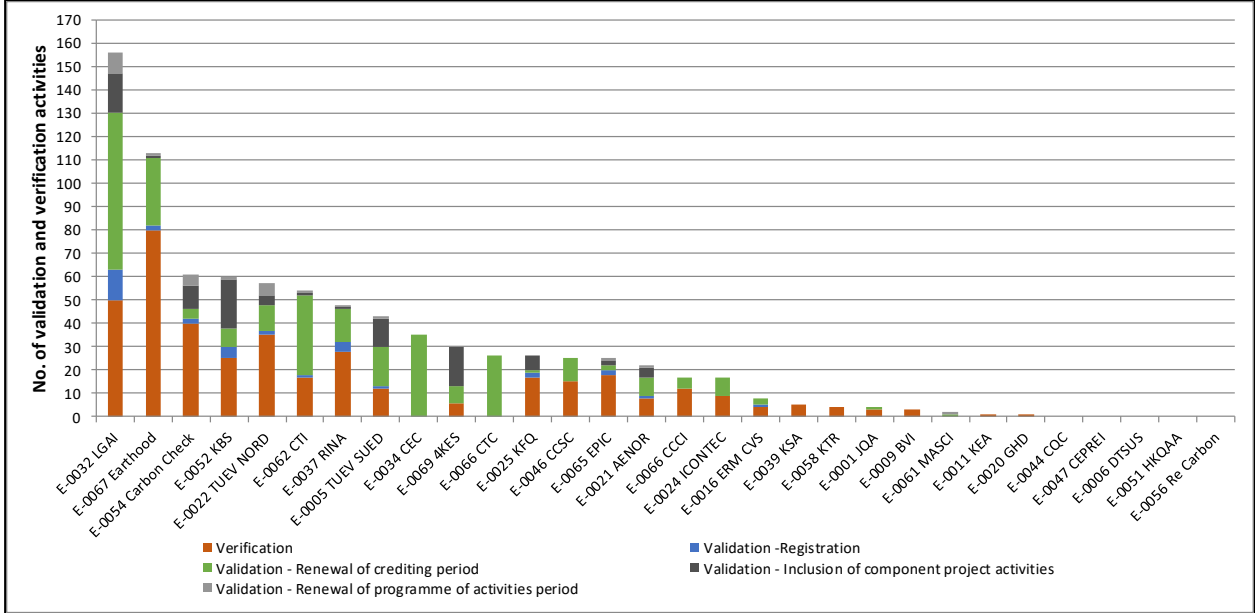
^(a) For the purpose of this report, "initiated during this reporting period" is considered to be validation or verification/certification work that began during this period.

^(b) Figures from reporting periods 2016–2017 and 2017–2018 do not include validation activities for renewal of crediting period of project activities and CPAs, renewal of PoA period, and inclusion of CPAs.

^(c) See footnote (b) above.

25. 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.

Figure 3. Distribution of validations and verifications among designated operational entities



2.4.2. Regional distribution of project activities

26. 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 periods.³

³ See table 2, footnote (b).

Figure 4. Number of designated operational entities conducting validation activities

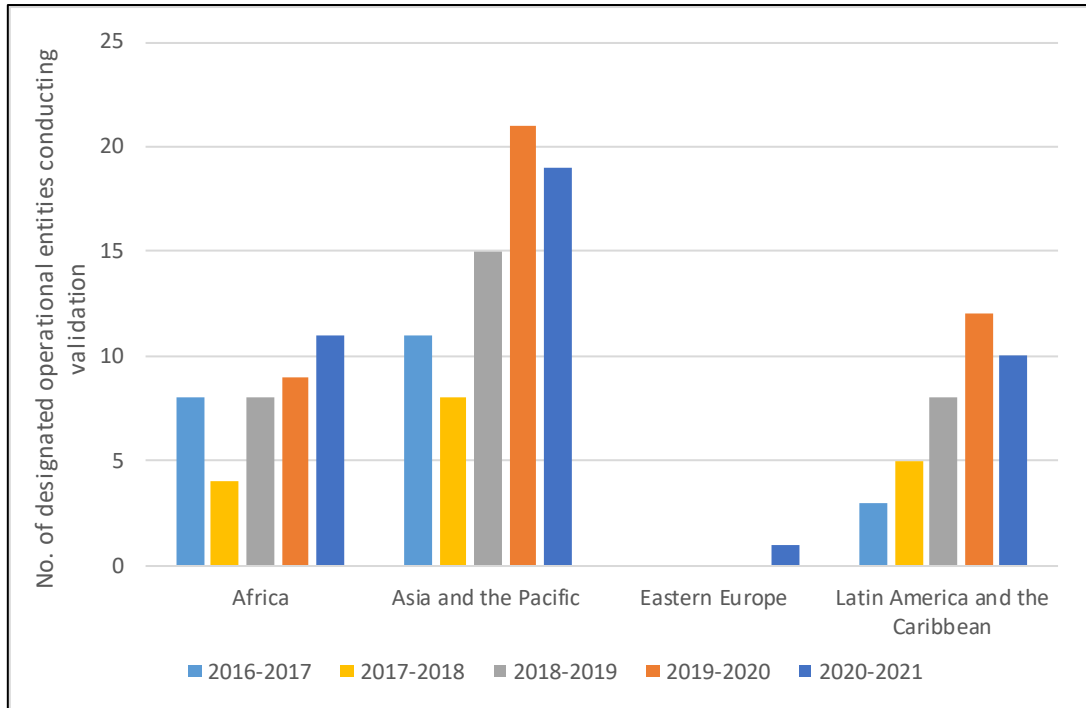


Figure 5. Number of designated operational entities conducting verification activities

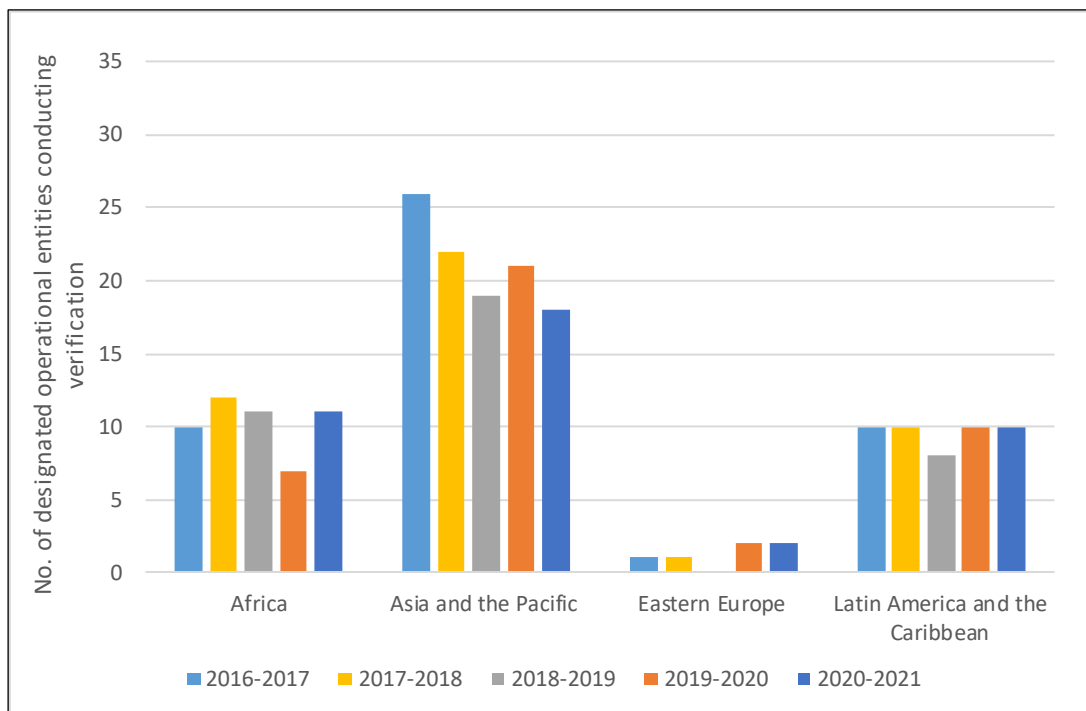


Figure 6. Number of validation activities of project activities

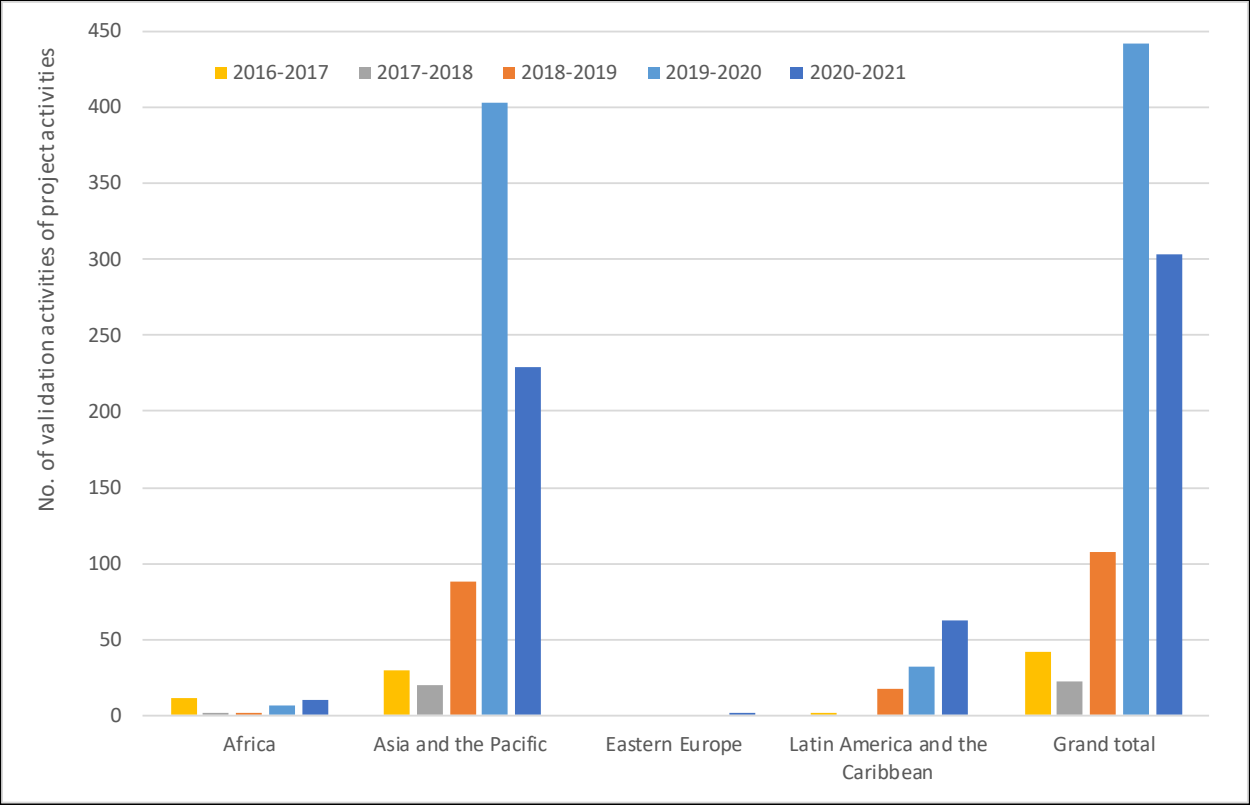


Figure 7. Number of validation activities of programmes of activities and component project activities

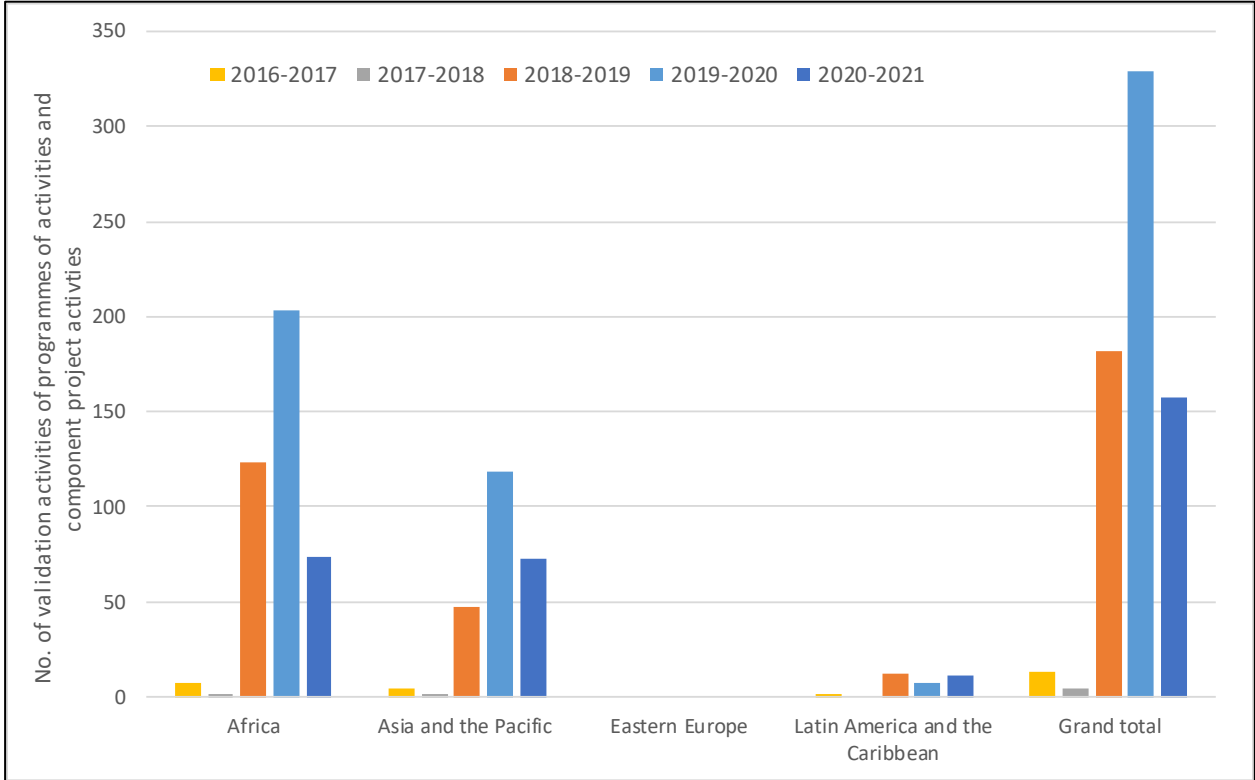


Figure 8. Number of verification activities of project activities

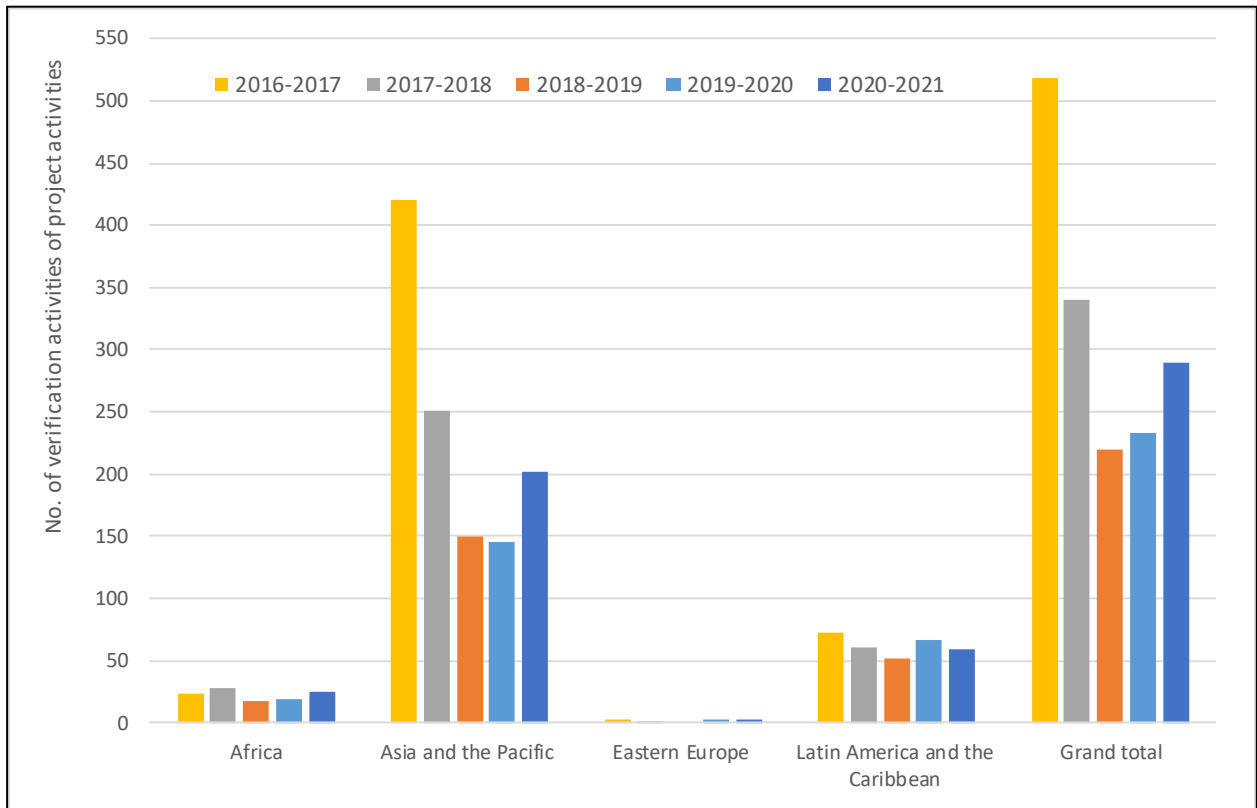
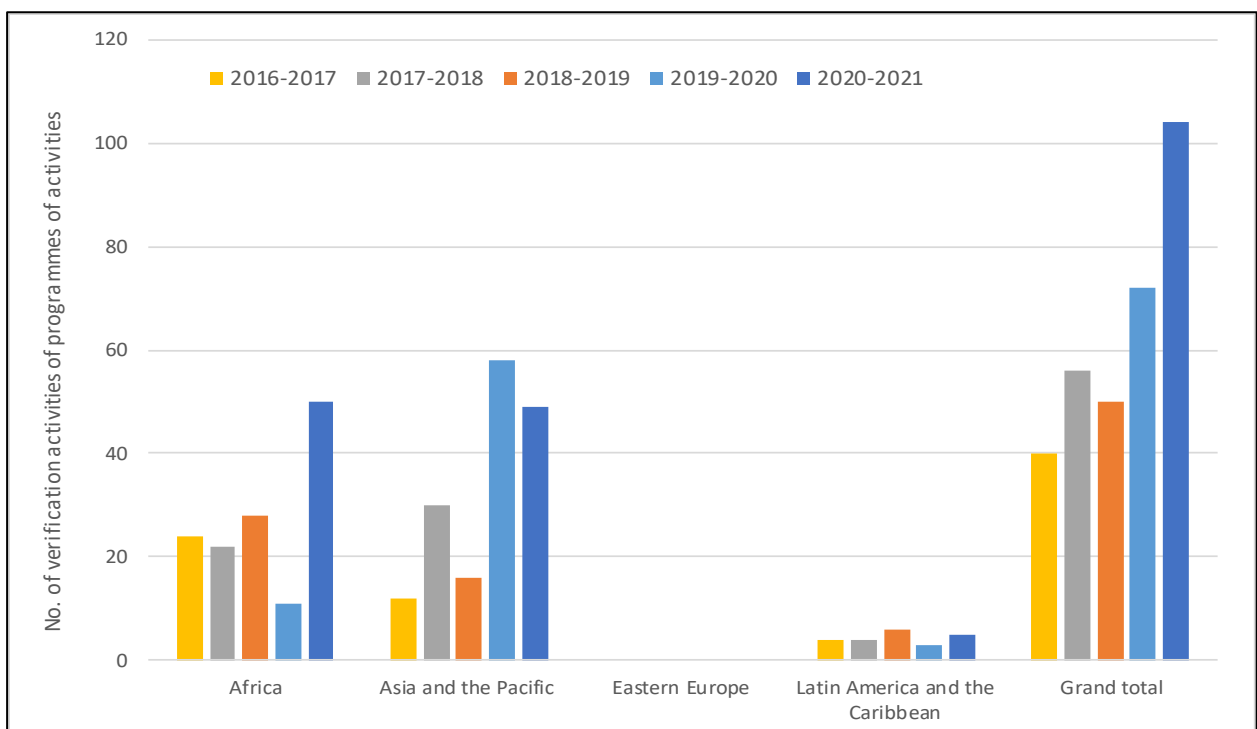


Figure 9. Number of verification activities of programmes of activities



2.4.3. Distribution of activities by sectoral scope

27. 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^(a)

Sectoral scope	No. of validation activities	No. of active designated operational entities (DOEs) (validation)	No. of verification activities	No. of active DOEs (verification)
1	(49, 30, 134, 632) 350	(14, 11, 17, 23) 21	(463, 280, 152, 201) 247	(28, 25, 22, 23) 22
2	(0, 1, 0, 0) 0	(0, 1, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0
3	(6, 1, 155, 128) 72	(4, 6, 1, 8) 9	(41, 45, 37, 31) 90	(8, 7, 7, 6) 8
4	(6, 1, 0, 0) 3	(5, 1, 0, 0) 2	(28, 9, 6, 6) 10	(8, 5, 5, 4) 5
5	(1, 0, 0, 12) 1	(1, 0, 0, 4) 1	(22, 25, 19, 17) 17	(6, 6, 6, 7) 5
6	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0
7	(0, 0, 0, 1) 1	(0, 0, 0, 1) 1	(2, 2, 2, 4) 0	(1, 2, 2, 4) 0
8	(0, 0, 0, 0) 2	(0, 0, 0, 0) 1	(13, 5, 3, 0) 0	(3, 2, 1, 0) 0
9	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(2, 3, 2, 1) 2	(2, 2, 2, 1) 1
10	(1, 0, 0, 1) 7	(1, 0, 0, 1) 2	(15, 5, 3, 7) 15	(5, 2, 1, 3) 4
11	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(4, 4, 1, 2) 3	(2, 2, 1, 2) 2
12	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0
13	(3, 1, 14, 17) 34	(2, 1, 8, 8) 13	(82, 54, 51, 52) 58	(17, 16, 13, 12) 12
14	(0, 0, 0, 2) 1	(0, 0, 0, 2) 1	(0, 3, 7, 4) 9	(0, 2, 3, 2) 3
15	(0, 0, 3, 1) 9	(0, 0, 1, 1) 4	(17, 15, 14, 14) 5	(6, 5, 3, 4) 4
16	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0	(0, 0, 0, 0) 0

^(a) Figures from reporting periods 2016–2017 and 2017–2018 do not include validation activities for renewal of crediting period of project activities and CPAs, renewal of PoA period, and inclusion of CPAs.

2.4.4. Project activities or programmes of activities declined by designated operational entities

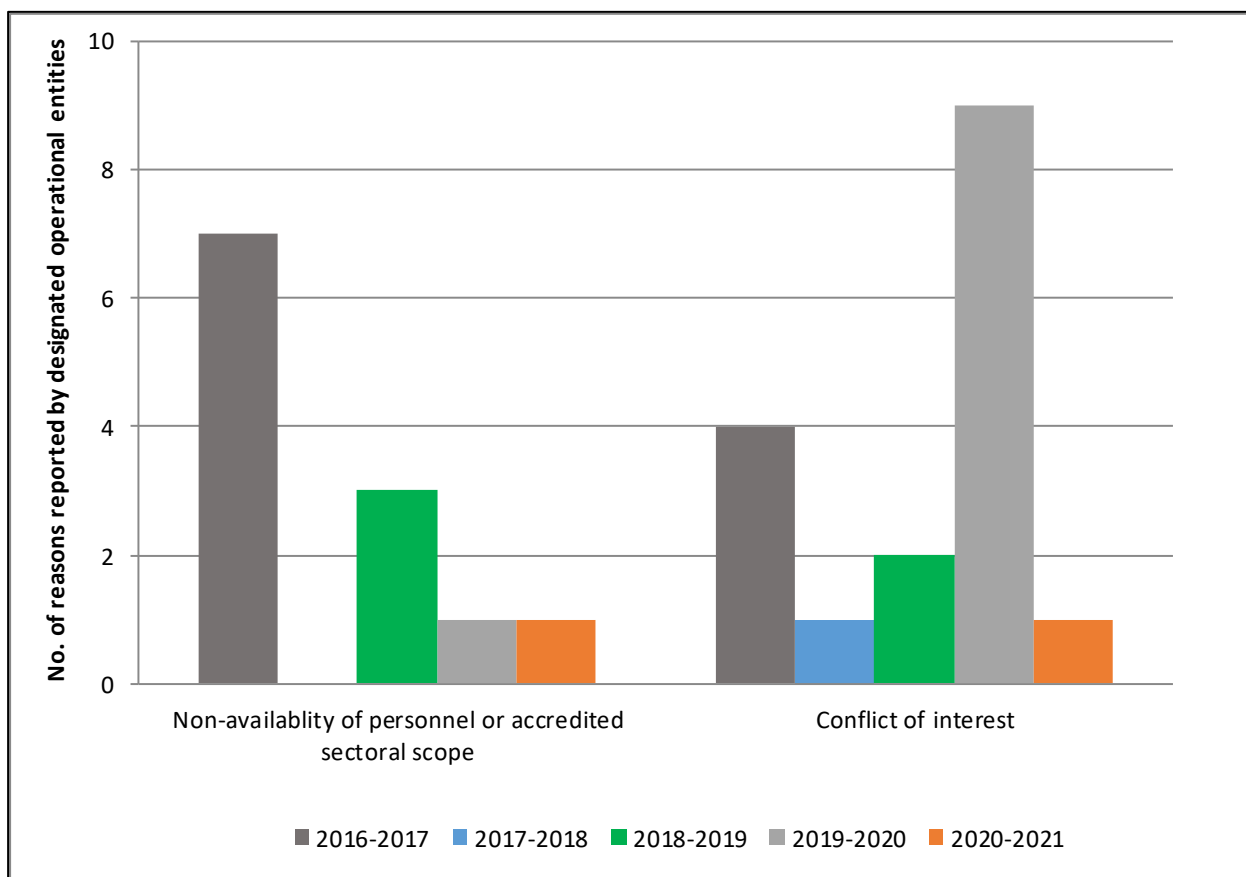
28. A DOE may decline validation and verification work for several reasons. The DOEs submitted information on the number of assignments for which they declined to perform validation or verification/certification in the reporting period as follows:

- (a) Number of DOEs reporting that they had declined projects: (6, 1, 5, 3) **1**;
- (b) Total number of assignments reported as declined for all DOEs: (>13, 2, 13, 12) **2**;
- (c) Number of different countries in which assignments were declined: (>9, 3, 9, 4) **1**;
- (d) The top country in terms of the number of assignments declined by entities was India (2). The number of assignments declined by entities by country in the previous reporting periods are as follows:
 - (i) 2019–2020: India (9), Bangladesh (1), Colombia (1) and Qatar (1);

- (ii) 2018–2019: India (5), Bangladesh (1), Colombia (1), India (1), Islamic Republic of Iran (1), Myanmar (1), Nigeria (1), Peru (1) and the Republic of Korea (1);
- (iii) 2017–2018: Costa Rica (1), Mali (1) and Democratic Republic of the Congo (1);
- (iv) 2016–2017: India (3), Guatemala (>3), Chile (1), Colombia (1), Malawi (1), Malaysia (1), Myanmar (1), Niger (1), Nigeria (1) and Peru (1).

29. The reasons for declining the project activities or PoAs were categorized into two main reasons: non-availability of personnel or accredited sectoral scope (1); and conflict of interest (1). Figure 10 shows the comparison of these reasons for declining projects or PoAs in the last five reporting periods.

Figure 10. Comparison of reasons for declining projects



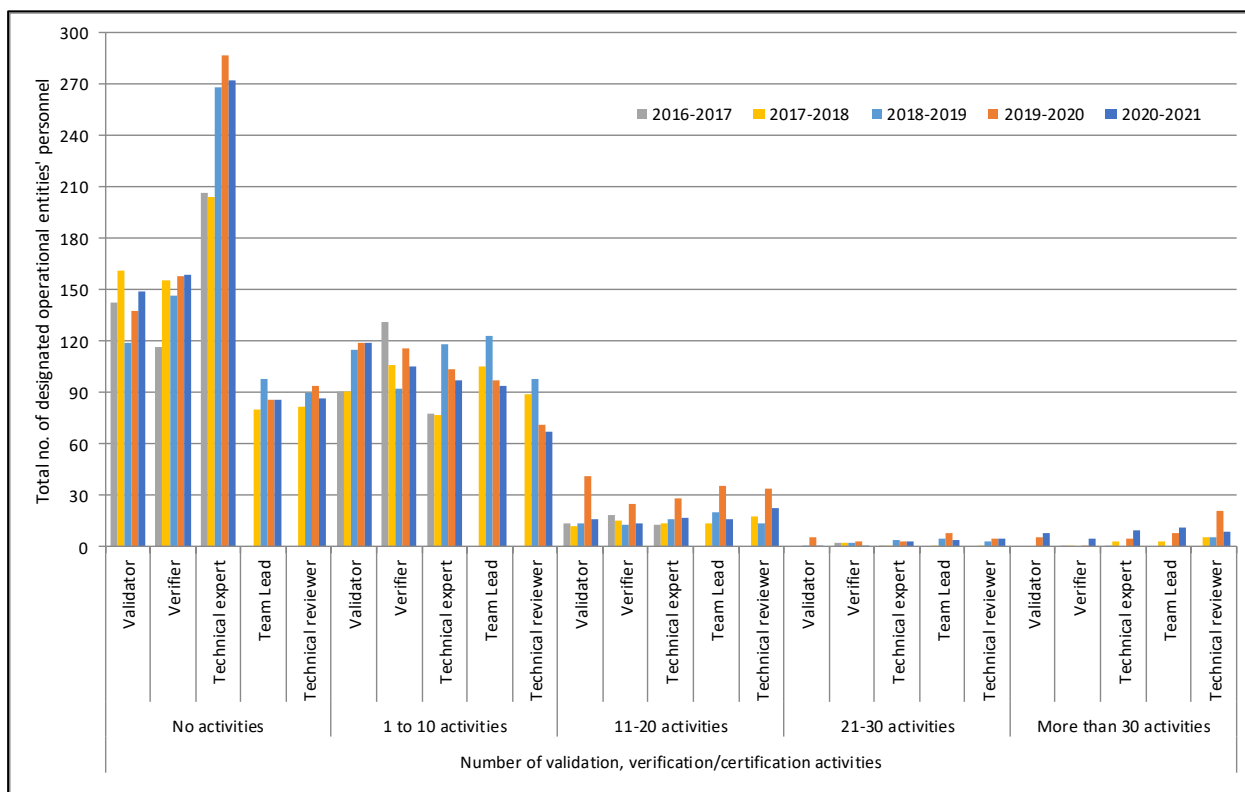
2.4.5. Validation and verification activities in countries with fewer than 10 registered project activities and programmes of activities

- 30. 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 2021) (9, 13, 16, 14).⁴
- 31. Thirty-nine validation activities and 38 verification activities were conducted during the reporting period in underrepresented countries with fewer than 10 registered projects/PoAs (2018–2019: 17 validation activities and 19 verification activities; 2019–2020: 31 validation activities and 23 verification activities).

2.4.6. Validation or verification/certification activities per qualified auditor

- 32. 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

- 33. 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

⁴ See table 2, footnote (b).

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

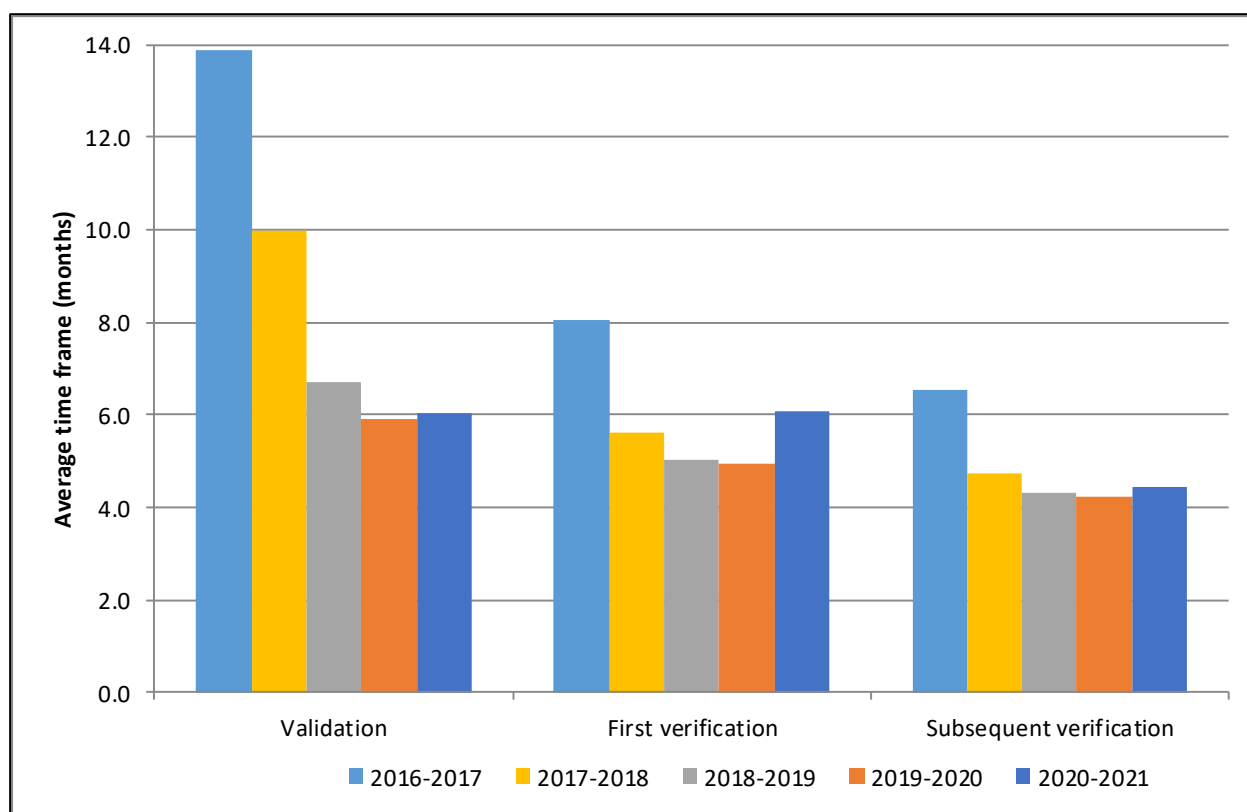


Table 4. Average minimum and maximum time frames for a validation per region (in months)

Region	Average shortest reported time frame	Average longest reported time frame
Africa	(2.8, 10.0, 2.0, 1.2) 2.0	(20.8, 31.9, 10.0, 10.0) 46.0
Asia and the Pacific	(5.5, 7.0, 2.0, 2.0) 1.2	(23.6, 15.0, 24.0, 14.0) 9.8
Eastern Europe	(13.9, 9.0, 4.0, 7.7) 3.5	(20.8, 19.9, 8.0, 8.0) 8.0
Latin America and the Caribbean	(4.2, 7.0, 4.0, 1.0) 1.6	(20.8, 24.9, 12.0, 21.2) 10.0

Table 5. Average minimum and maximum time frames for a first verification per region (in months)

Region	Average shortest reported time frame	Average longest reported time frame
Africa	(1.6, 5.6, 2.0, 3.0) 3.0	(12.1, 17.9, 11.0, 24.9) 42.0
Asia and the Pacific	(3.2, 3.9, 2.5, 1.6) 1.0	(13.7, 8.4, 10.0, 10.0) 17.5
Eastern Europe	(8.0, 5.0, 3.3, 3.3) 3.0	(12.1, 11.2, 4.0, 4.0) 4.0
Latin America and the Caribbean	(2.4, 3.9, 2.5, 3.5) 1.0	(12.1, 14.0, 10.0, 6.5) 10.0

2.4.8. Average fees for validation and verification/certification service

34. 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

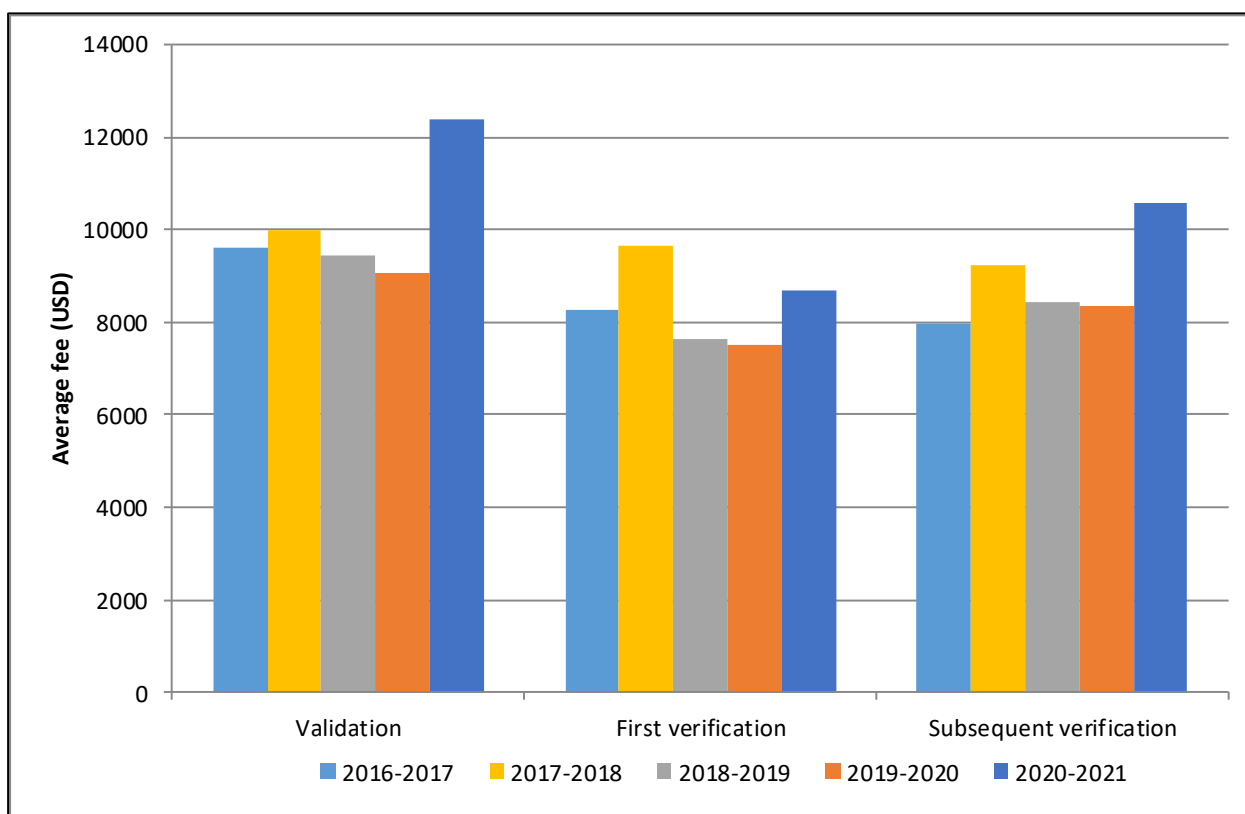


Table 6. Average minimum and maximum fees for a validation in each region (in USD)

Region	Average minimum reported fee	Average maximum reported fee
Africa	(8654, 8994, 3000, 2750) 3500	(19231, 24983, 27300, 30000) 14000
Asia and the Pacific	(3846, 6995, 1100, 1300) 1250	(11539, 14990, 28000, 29234) 30000
Eastern Europe	(9616, 9993, 4000, 4000) 4000	(19231, 19986, 15000, 4620) 12000
Latin America and the Caribbean	(7692, 5996, 4688, 3750) 5000	(23077, 29979, 16488, 12800) 99792

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	(7296, 8469, 2730, 2253) 4500	(16213, 23525, 22000, 18000) 14133
Asia and the Pacific	(3243, 6587, 1100, 1400) 1500	(9728, 14115, 23000, 21600) 27800
Eastern Europe	(8107, 9410, 3520, 3520) 3600	(16213, 18820, 14000, 6435), 11000
Latin America and the Caribbean	(6485, 5646, 3840, 3840) 4200	(19456, 28230, 16500, 17000) 92903

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	(6731, 8994, 1300, 1600) 1546	(19231, 12991, 30000, 40000) 35000
Small-scale project activity	(6731, 6995, 800, 1000) 1050	(12500, 12991, 25000, 13380) 69929
Programme of activities	(5769, 5996, 3000, 2200) 2600	(21154, 24983, 28000, 30000) 34000

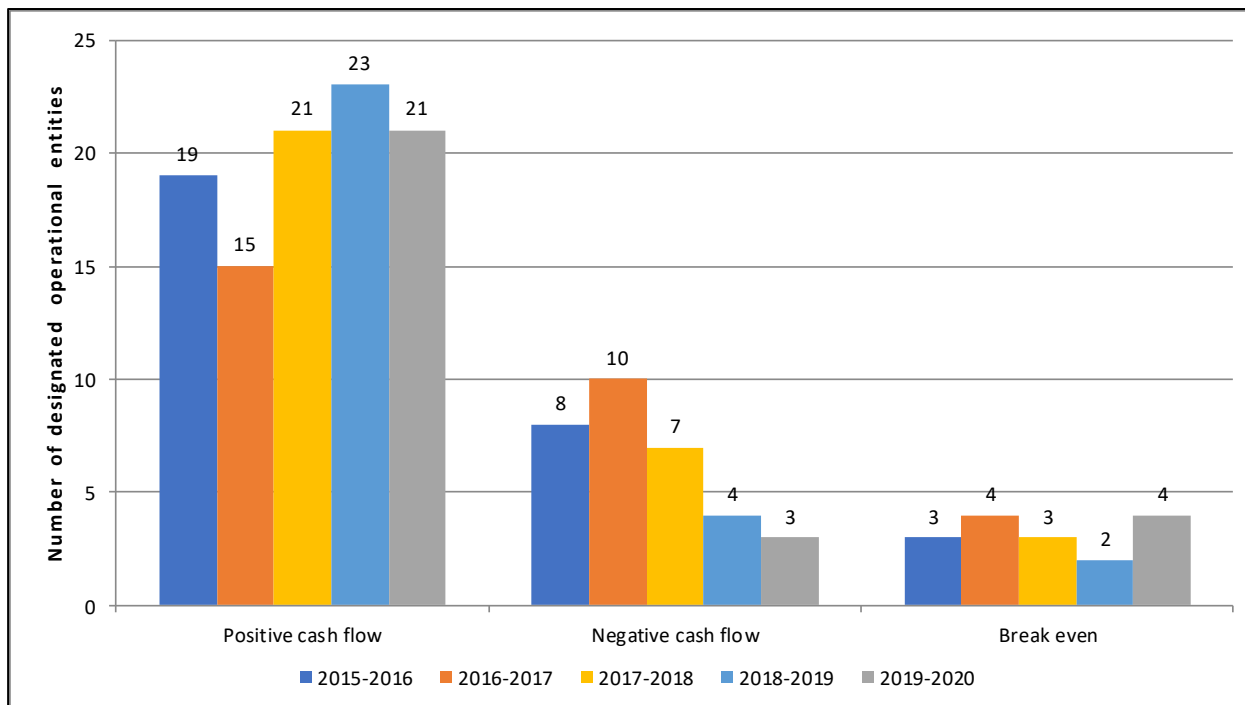
Table 9. Average minimum and maximum fees for a verification for each activity type (in USD)

Activity type	Average minimum reported fee	Average maximum reported fee
Large-scale project activity	(5675, 8469, 1800, 1800) 1800	(16213, 12233, 26000, 19500) 22000
Small-scale project activity	(5675, 6587, 800, 1600) 1500	(10539, 12233, 22000, 17500) 92903
Programme of activities	(4864, 5646, 2700, 2140) 2700	(17834, 23525, 25000, 27000) 33400

2.5. Financial statement

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

Figure 14. Income and expenditure trend



37. During the reporting period:

- (a) Twenty-one DOEs (i.e. 75 per cent) reported a higher income than expenditure;
- (b) Three DOEs reported a lower income than expenditure, which is the lowest in comparison to the previous four reporting periods;
- (c) Four DOEs reported equal income and expenditure.

2.6. Challenges and lessons learned

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

- (a) Uncertainty in the future of the CDM, including 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;

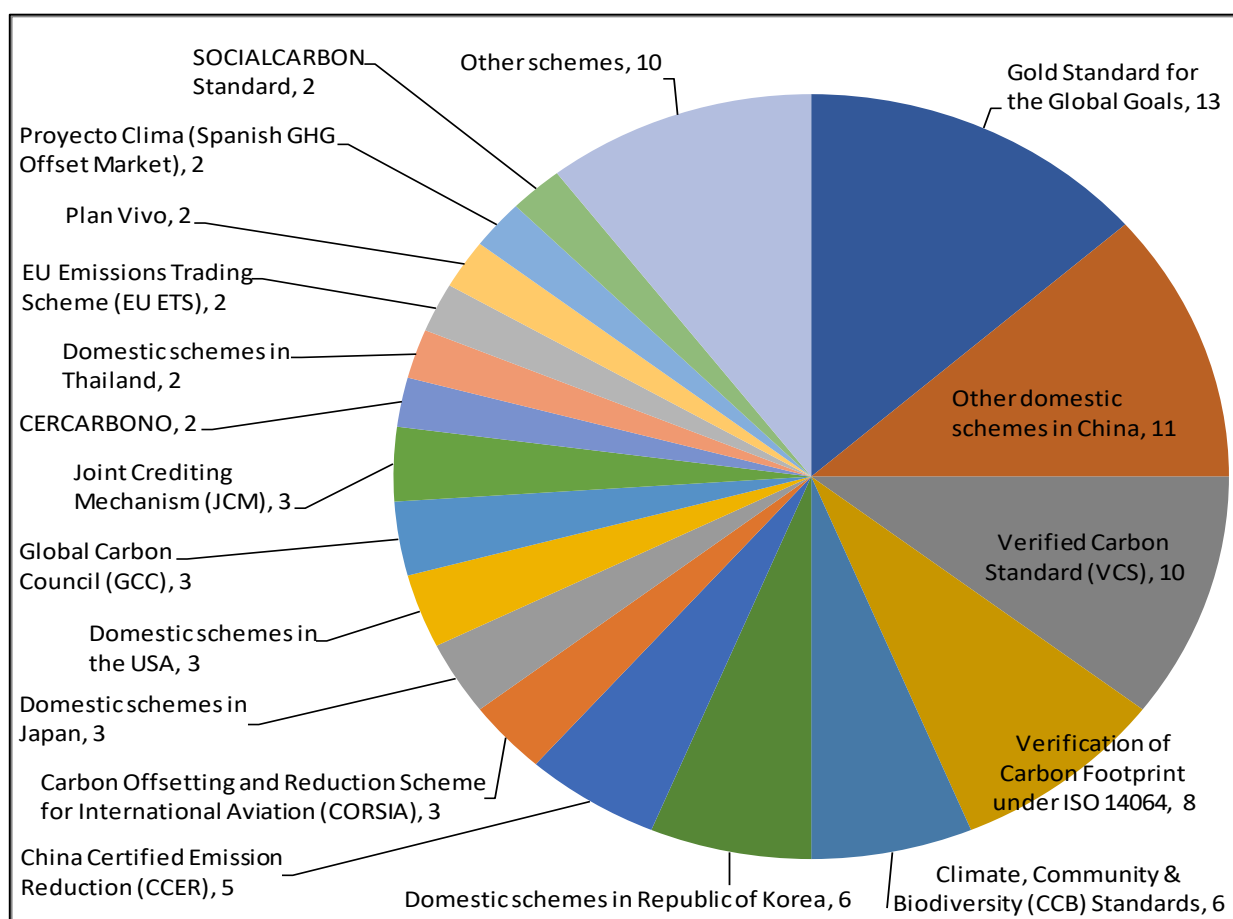
- (d) The COVID-19 pandemic enabling DOEs to update their systems to accommodate remote validation and/or verification/certification activities and remote accreditation-related assessments. Some DOEs have reported challenges in conducting remote validation and/or verification/certification activities.

2.7. Other business activities

39. Twenty-seven DOEs reported other business activities that involve validation or verification of GHG assertions in schemes other than the CDM.

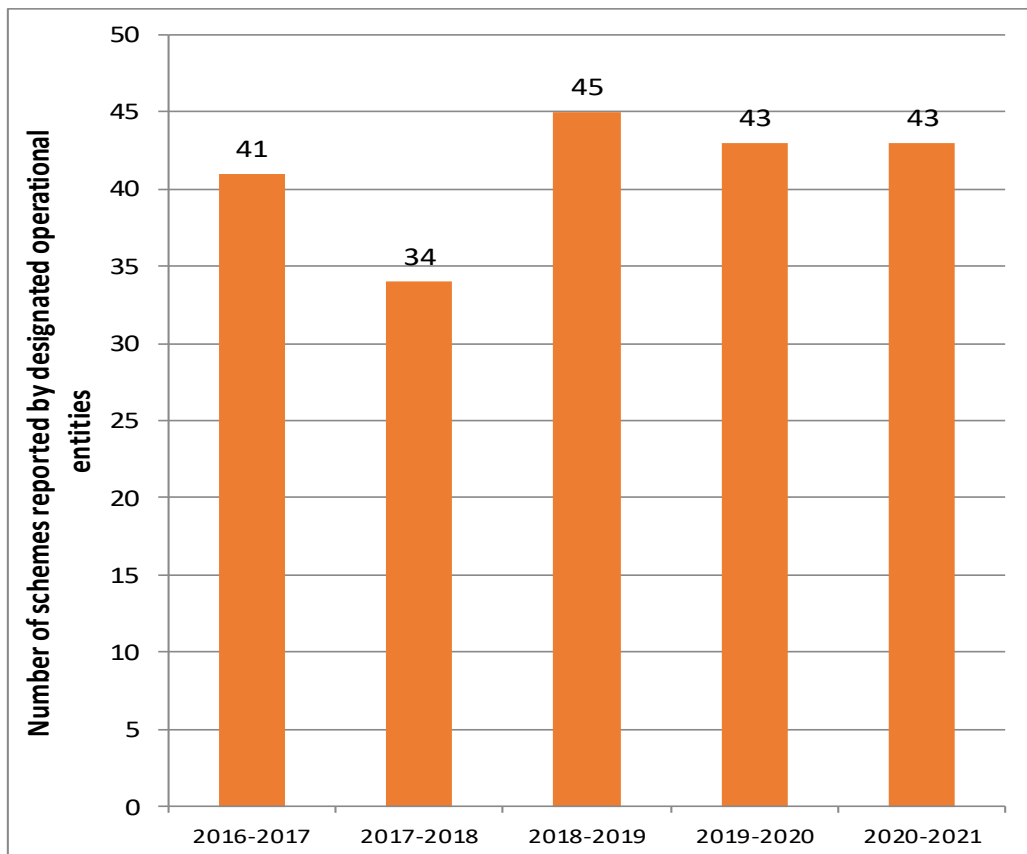
40. The most frequently listed schemes in addition to the CDM are provided in figure 15.

Figure 15. Number of designated operational entities reporting greenhouse gas validation and verification services in addition to the CDM



41. The number of other schemes reported by DOEs for the last five reporting periods is shown in figure 16.

Figure 16. Number of other schemes reported by designated operational entities



42. Most of the DOEs are active in GHG business activities that involve validation or verification of GHGs in schemes other than the CDM, with DOEs reporting 101 activities (2016–2017: 101 activities; 2017–2018: 89 activities; 2018–2019: 99 activities; 2019–2020: 96 activities).
43. Most DOEs that reported working with other schemes listed the Verified Carbon Standard, Gold Standard for the Global Goals, Verification of Carbon Footprint under the International Organization for Standardization (ISO) standard 14064 and regional or national initiatives (e.g. national carbon market in China and domestic schemes in the Republic of Korea). 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 developed under CDM, and having similar methodologies to those used under the CDM or methodologies developed from CDM methodologies.
44. 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.
45. It is also reported that the status of a DOE under the CDM gives confidence to their clients and competitive advantages to enter other GHG schemes.

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Synthesis report of the annual activity reports submitted by the designated operational entities for the reporting period 1 July 2020 to 30 June 2021

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