

CDM-2022SYN-INFO01

Synthesis report of the annual activity reports submitted by the designated operational entities for the reporting period 1 July 2021 to 30 June 2022

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 designated operational entities (DOEs) as of 30 June 2022. It provides information on the operations and activities of these DOEs related to the clean development mechanism (CDM), as well as the challenges faced, and lessons learned. 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 during the current reporting period:
 - (a) There were 29 DOEs accredited during the reporting period;
 - (b) Accreditation of two DOEs expired. Thus, 27 DOEs were accredited as of 30 June 2022;
 - (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 DOEs), indicating that there is sufficient coverage of accredited DOEs in each sectoral scope;
 - (d) Geographic coverage is also extensive, with about 40% of the accredited DOEs working in countries with fewer than 10 registered CDM projects (i.e. the underrepresented countries);
 - (e) The DOEs completed more verification activities as compared to the last three reporting periods (1 July 2018-30 June 2019; 01 July 2019-30 June 2020 and 01 July 2020-30 June 2021);
 - (f) While the total number of validation and verification activities has decreased as compared to the previous reporting period, there is an observed increase in the project activity verifications as compared to the previous reporting period;
 - (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 (91 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) There is an observed increase in the number of validations/verifications per auditor/technical reviewer;
 - (j) An increasing trend in the average fees for validation and verification/certification service is observed;
 - (k) Six DOEs reported a negative cash flow;

- (l) Most DOEs reported challenges related to decrease in CDM projects requesting for registration and issuance, maintaining auditor competence under the low project volumes, COVID-19 impacts and uncertainties on the CDM under the Article 6.4 of the Paris Agreement.

2. Synthesis report

2.1. Introduction

3. 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. 16.0), 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.
4. The present document is a synthesis report of the annual activity reports submitted by DOEs for the reporting period from 1 July 2021 to 30 June 2022 (2021–2022).
5. For comparative purposes, the report includes data from the previous five 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), 1 July 2019 to 30 June 2020 (2019–2020) and 1 July 2020 to 30 June 2021 (2020–2021)).¹
6. The deadline for submission of the annual activity report by all the DOEs was 30 September 2022. Of the 27 DOEs that were accredited as of 30 June 2022, 26 DOEs submitted the documentations required (i.e. the annual activity reports and the synthesis report of the work of the Impartiality Committee).²
7. It is to be noted that accreditation term of two DOEs (i.e. E-0016 ERM Certification and Verification Services Limited (ERM CVS) and E-0058 Foundation for Industrial Development - Management System Certification Institute (Thailand) (MASCI)) expired during the reporting period. For reporting purposes, the activities carried out by these DOE are included in this synthesis report.
8. 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.

2.2. Accreditation status

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

9. During the reporting period, the accreditation of two DOEs 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.

² One DOE submitted only the annual activity report, the impartiality committee report is to be submitted in December 2022

10. Accredited sectoral scopes are taken from the accreditation certificates. The sectoral scopes linked to each accredited DOE are listed in Table 1 below and summarized as follows:

- (a) Average number of sectoral scopes a DOE is accredited for: (9, 9, 10, 10, 10) **10**;
- (b) Number of DOEs accredited in at least 15 sectoral scopes: (8, 6, 7, 7, 7) **7**;
- (c) Occurrences of suspension during the reporting period: (2, 1, 0, 0, 0) **0**.

Table 1. Accreditation status of DOEs (as of 30 June 2022)

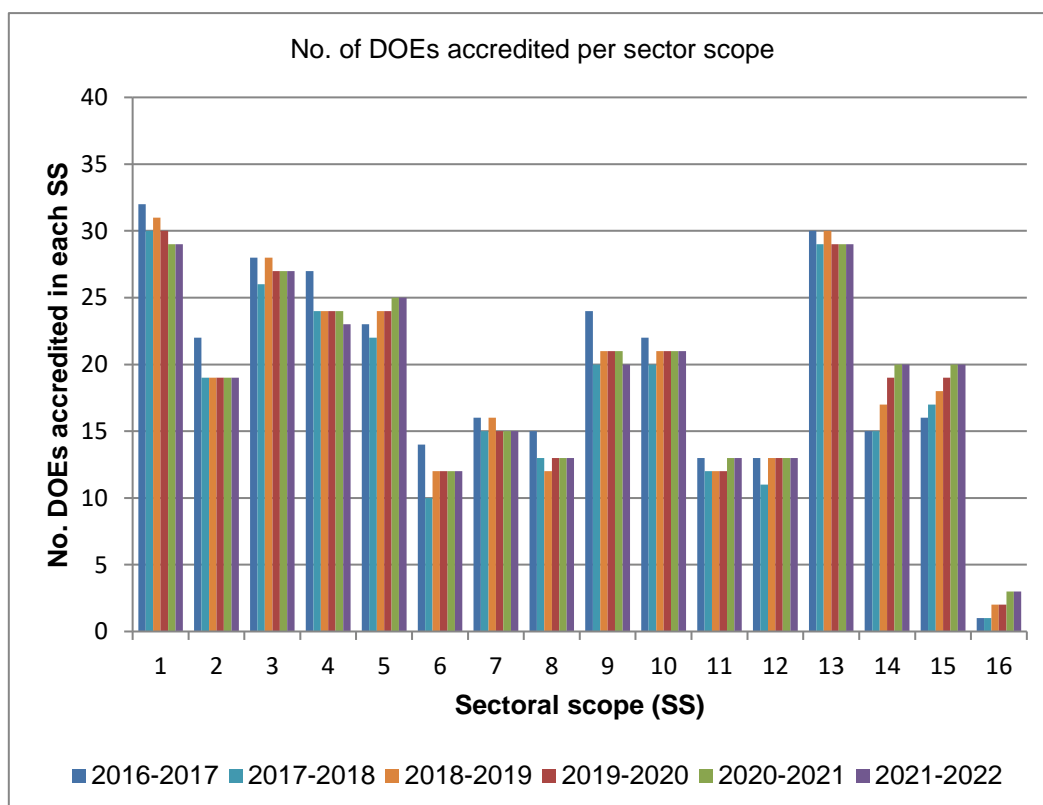
	Ref.	Entity	Country	Sectoral scope for validation/verification
1	E-0001	Japan Quality Assurance Organization (JQA)	Japan	1, 3-5, 10, 13, 14
2	E-0005	TÜV SÜD South Asia Private Limited (TÜV SÜD)	India	1, 3-5, 7, 10, 11, 13-15
3	E-0006	Deloitte Tohmatsu Sustainability, Co., Ltd. (DTSUS)	Japan	1-3, 5, 10, 12, 13, 15
4	E-0009	Bureau Veritas India Pvt. Ltd. (BVI)	India	1-5, 7-10, 12-15
5	E-0011	Korea Energy Agency (KEA)	Republic of Korea	1, 3-5, 7, 9, 11-15
6	E-0020	GHD Limited (GHD)	Canada	1, 4, 5, 8-10, 12, 13
7	E-0021	AENOR INTERNACIONAL, S.A.U. (AENOR)	Spain	1-15
8	E-0022	TÜV NORD CERT GmbH (TÜV NORD)	Germany	1-16
9	E-0024	Colombian Institute for Technical Standards and Certification (ICONTEC)	Colombia	1-3, 7, 13, 14
10	E-0025	Korean Foundation for Quality (KFQ)	Republic of Korea	1-5, 9, 11, 13, 15
11	E-0032	LGAI Technological Center, S.A. (LGA Tech. Center S.A)	Spain	1, 3, 13
12	E-0034	China Environmental United Certification Center Co., Ltd. (CEC)	China	1-15
13	E-0037	RINA Services S.p.A. (RINA)	Italy	1-7, 9-11, 13-15
14	E-0039	Korean Standards Association (KSA)	Republic of Korea	1-5, 9, 10, 13-15
15	E-0044	China Quality Certification Center (CQC)	China	1-15
16	E-0046	China Classification Society Certification Company (CCSC)	China	1-10, 13, 14
17	E-0047	CEPREI certification body (CEPREI)	China	1-5, 8-10, 13, 15
18	E-0051	KBS Certification Services Pvt. Ltd (KBS)	India	1-5, 7-10, 12-15
19	E-0052	Carbon Check (India) Private Ltd. (Carbon Check)	India	1, 3-5, 9, 10, 13, 14
20	E-0054	Re Carbon Gözetim Denetim ve Belgelendirme Limited Sirketi (Re Carbon)	Turkey	1-3, 13, 15
21	E-0056	Korea Testing & Research Institute (KTR)	Republic of Korea	1, 3-5, 11, 13
22	E-0061	Shenzhen CTI International Certification Co., Ltd (CTI)	China	1-15

23	E-0062	EPIC Sustainability Services Pvt. Ltd. (EPIC)	India	1-16
24	E-0065	China Building Material Test and Certification Group Co. Ltd. (CTC)	China	1-6, 9-11, 13-16
25	E-0066	Earthood Services Private Limited (Earthood)	India	1, 3-7, 9, 10, 13-15
26	E-0067	China Certification Center, Inc. (CCCI)	China	1-15
27	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.

- 11. All the DOEs (27) are accredited in sectoral scope 1, and the lowest number of DOEs (3) are accredited in sectoral scope 16. An overview of how many DOEs were accredited per sectoral scope is as under Figure 1. Except in sector scopes 4 and 9, there has not been any change in the number of DOEs accredited for each sectoral scope since the previous reporting period.

Figure 1. No. of DOEs accredited in each sector scope



2.2.2. Status of the Sectoral scopes

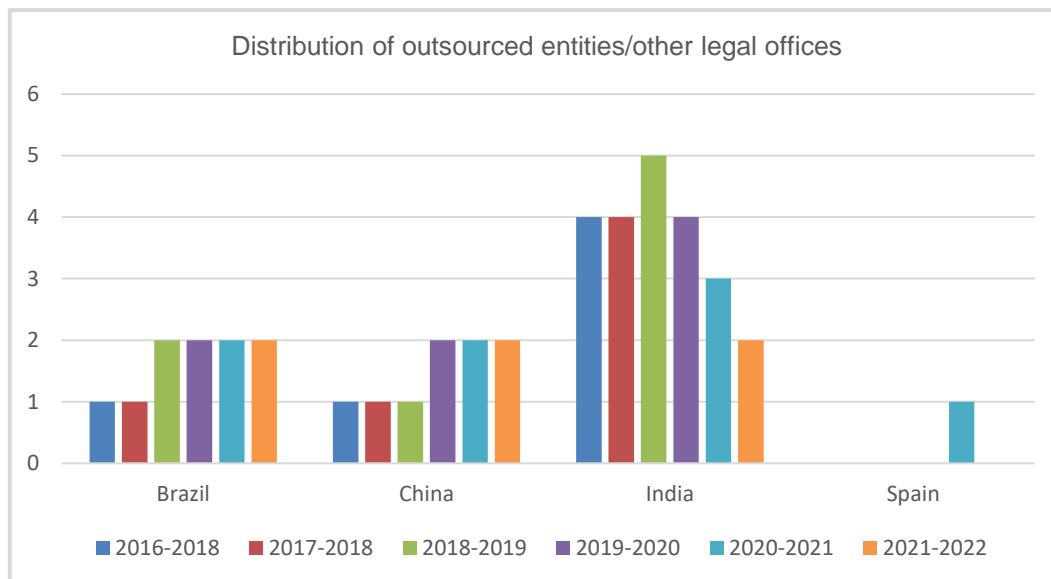
12. Regarding the changes in sectoral scopes during the reporting period:
- (a) Number of DOEs maintaining the sectoral scopes for which they are accredited: (26, 24, 25, 27, 27) **27**;
 - (b) Number of DOEs reducing the sectoral scopes for which they are accredited (i.e. partial withdrawals and fewer sectoral scopes applied for during reaccreditation): (3, 4, 1, 0,0) **1**;
 - (c) Number of DOEs increasing the sectoral scopes for which they are accredited (i.e. extension of scope): (3, 2, 5, 3, 2) **1**.

2.3. Organization

2.3.1. Outsourced entities of the designated operational entity

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. DOEs reporting the outsourced entities/other legal entities to which the DOEs have outsourced one or more validation and verification/certification functions within the reporting period are as follows:
- (a) Total number of DOEs having outsourced entities: (3, 2, 4, 3,3) **3**;
 - (b) Average number of declared outsourced entities per DOE: (2, 2, 2, 2.7,2.7) **2**;
 - (c) Highest number of outsourced entities reported by a DOE: (3, 3, 3, 3, 3) **2**.
15. Figure 2 below shows the countries where the outsourced entities/other legal entities are located (India with (4, 4, 5, 4,3) **2 entities**; China (1, 1, 1, 2, 2) **2 entities** and Brazil (1, 1, 2, 2, 2) **2 entities**).

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



2.3.2. Use of internal personnel

16. The use of internal personnel was reported as follows:

- (a) Average number of internal personnel utilized per DOE: (13, 13, 13) **14**;
- (b) Highest number of internal personnel utilized by a DOE: (46, 33, 40) **35**.

2.3.3. Use of external personnel

17. In accordance with the CDM accreditation standard (Section 10), DOEs may make use of external validators, verifiers and technical experts to supplement its internal resources.

18. The DOEs reported use of external personnel as follows:

- (a) Number of DOEs utilizing external personnel: (29, 26, 26, 24, 26) **24**;
- (b) Average number of external personnel utilized per DOE: (14, 16, 19, 17,15) **17**;
- (c) Highest number of external personnel utilized by a DOE: (45, 56, 82, 74, 62) **50**.

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 complaints, disputes and appeals that were received during the reporting period as follows:

- (a) Number of DOEs reporting/receiving complaints, disputes or appeals: (0, 2, 2, 0, 0) **2**;

- (b) Number of complaints, disputes or appeals received by DOEs from project participants: (0, 1, 2, 0, 0) **5**;
- (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: 0; 2020–2021: 0) **5**;
- (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: no complaints, disputes, or appeals; 2020–2021: no complaints, disputes, or appeals) 2021–2022: **3 complaints**.

2.3.5. CDM-related training undertaken

- 21. In accordance with the CDM accreditation standard (Section 10.3.2.2), DOEs are required to provide training to personnel who are being qualified as well as those already qualified. Twenty-five DOEs reported conducting CDM-related trainings as follows:³
 - (a) Average number of training sessions per DOE: (6, 6, 6, 6, 6) **7**;
 - (b) Average duration of training session: (6, 8, 6, 7, 5) **5** hours;
 - (c) Average number of participants per session: (10, 9, 12, 12, 13) **15**;
 - (d) Highest number of training sessions for a DOE: (26, 68, 43, 56) **19**.
- 22. Of the 179 CDM-related training sessions, 146 were conducted by internal providers; 15 by external providers and 18 conducted by a combination of internal/external providers. The information regarding trainings in the previous reporting periods is as follows:
 - (a) The equivalent figures for the 2020–2021 reporting period were: 117 CDM-related training sessions, for which 39 were internal and 11 were conducted by external providers. A further 16 training sessions were provided in combination with external providers;
 - (b) 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;
 - (c) 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;
 - (d) 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;
 - (e) 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

³ 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.

23. In addition to DOEs providing their own trainings, there were (24, 41, 34, 30, 27) **20** 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

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 contributed to 96 per cent of the validation of projects initiated during the period:
 - (i) 2020-2021: 10 DOEs contributed to 89 per cent
 - (ii) 2019–2020: 10 DOEs contributed to 84 per cent;
 - (iii) 2018–2019: 10 DOEs contributed to 82 per cent;
 - (iv) 2017–2018: 10 DOEs contributed to 84 per cent;
 - (v) 2016–2017: 10 DOEs contributed to 88 per cent;
 - (vi) 2015–2016: 10 DOEs contributed to 73 per cent;
 - (b) Ten DOEs contributed to 87 per cent of the verification of projects initiated during the period:
 - (i) 2020-2021: 10 DOEs contributed to 89 per cent;
 - (ii) 2019–2020: 10 DOEs contributed to 85 per cent;
 - (iii) 2018–2019: 10 DOEs contributed to 83 per cent;
 - (iv) 2017–2018: 10 DOEs contributed to 87 per cent;
 - (v) 2016–2017: 10 DOEs contributed to 84 per cent;
 - (vi) 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, 455) 181	(590, 355, 316, 396, 483) 588
B	Contract terminated during this reporting period	(63, 96, 51, 88, 159) 61	(118, 84, 85, 65, 97) 231
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) 215	(312, 196, 242, 260, 299) 471
D	Registered, renewed or CPA included (validation)/certified emission reductions issued (verification) during this reporting period	(55, 30, 288, 470, 343) 85^(b)	(559, 396, 269, 305, 393) 517
E	Rejected during this reporting period	(3, 2, 2, 3, 4) 1^(c)	(1, 1, 4, 2, 4) 5

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.

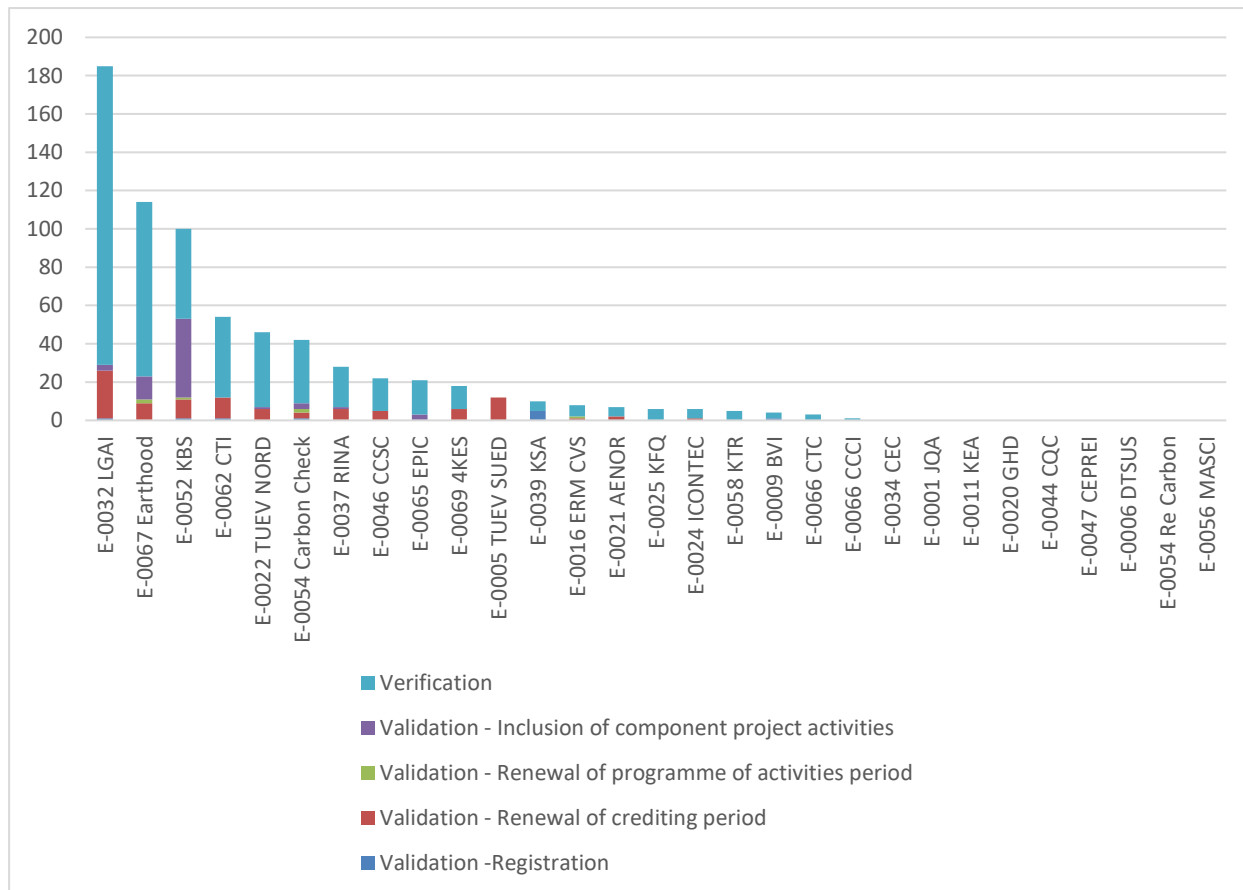
^(a) For the purpose of this report, "initiated during this reporting period" is considered to be validation or verification/certification work that began during this period.

^(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.

26. Figure 3 below indicates the distribution of 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 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 periods.⁴

⁴ See table 2, footnote (b).

Figure 4. Number of DOEs conducting validation activities

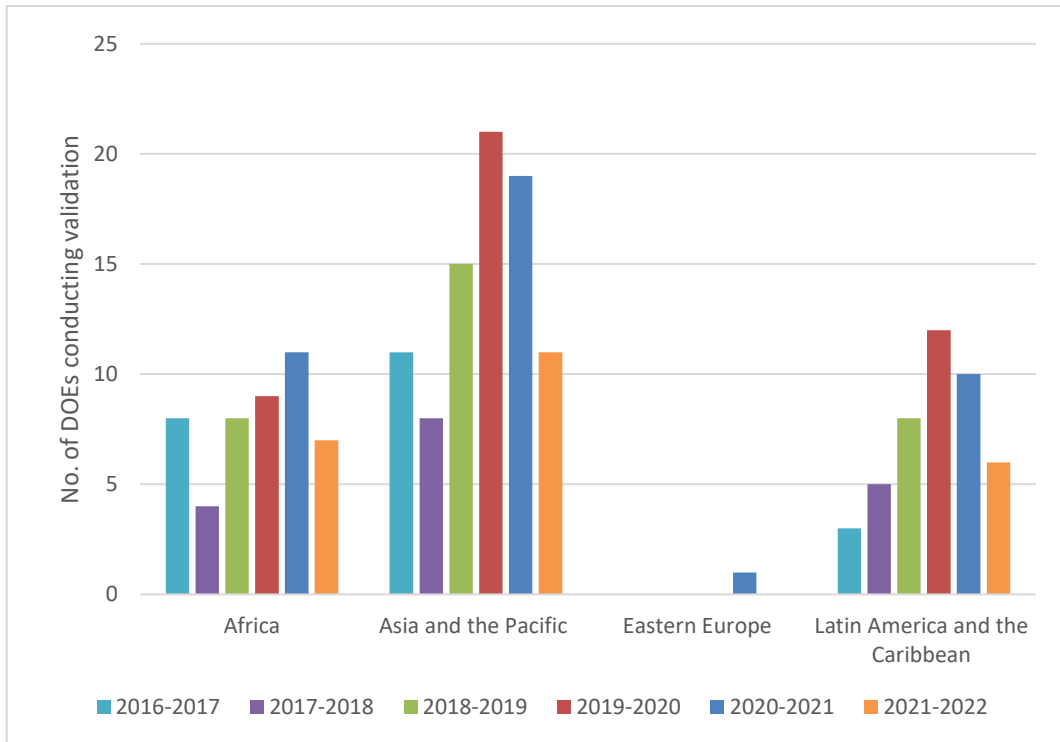


Figure 5. Number of DOEs conducting verification activities

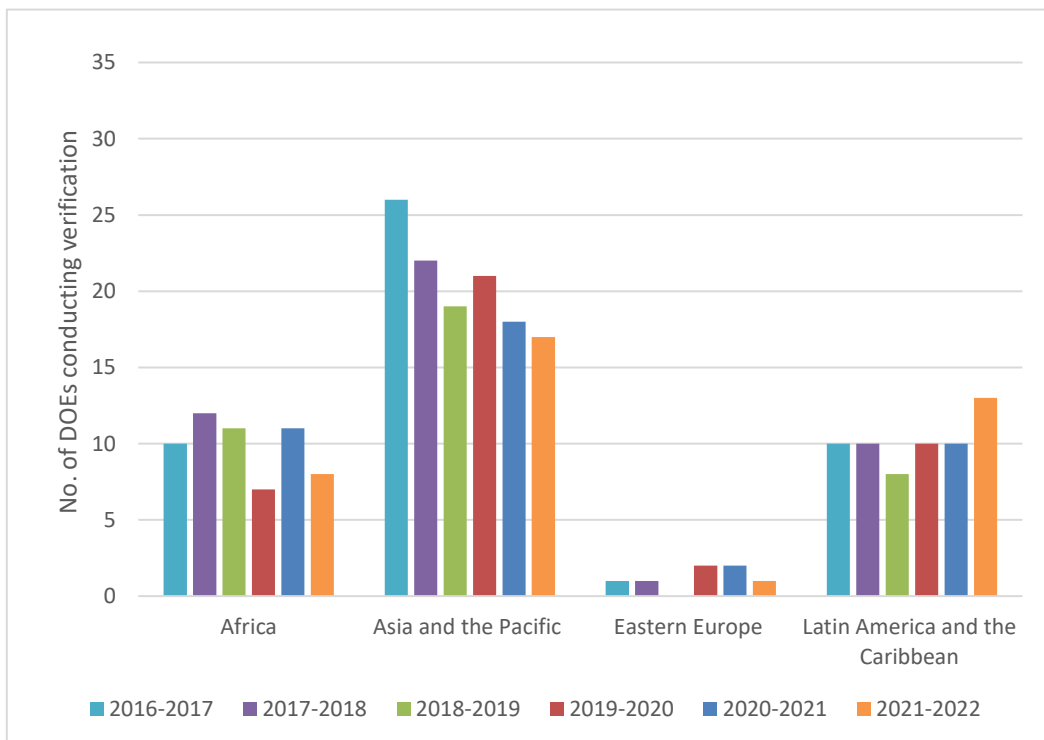


Figure 6. Number of validations: Project activities

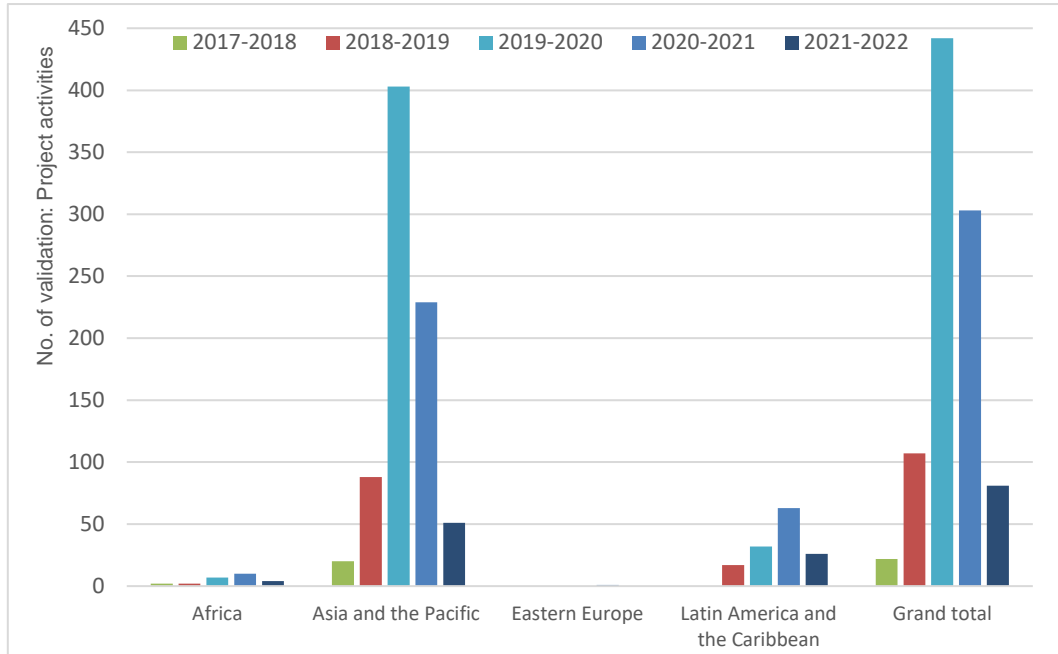


Figure 7. Number of validations: PoAs and CPAs

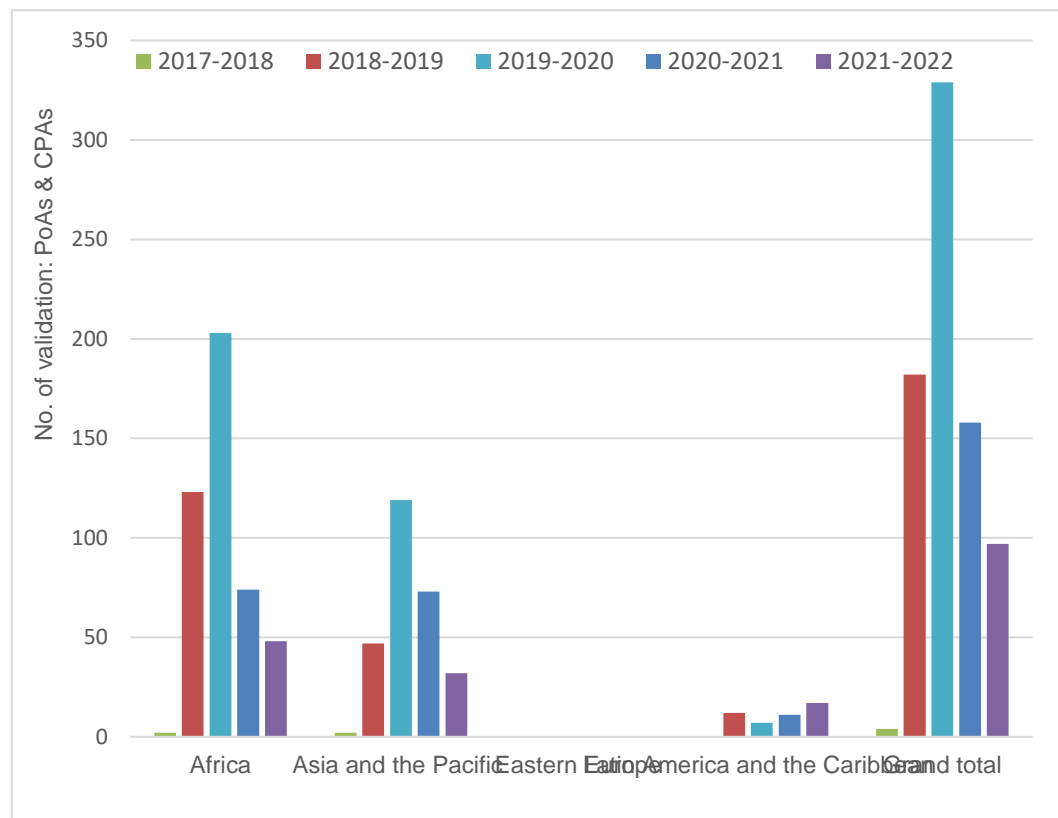


Figure 8. Number of verifications: project activities

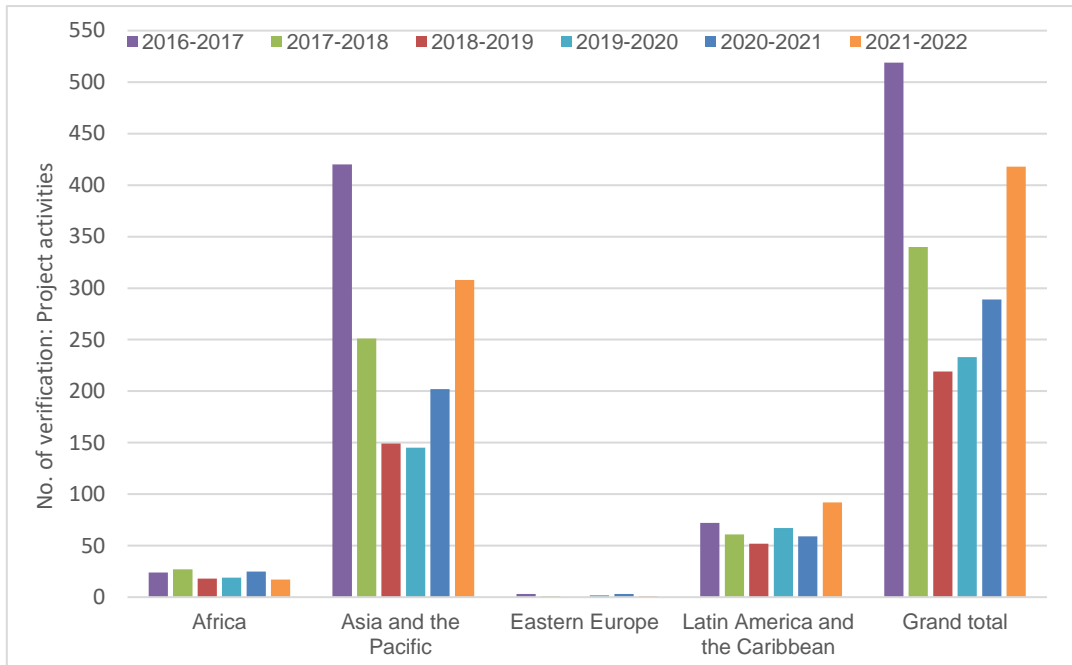
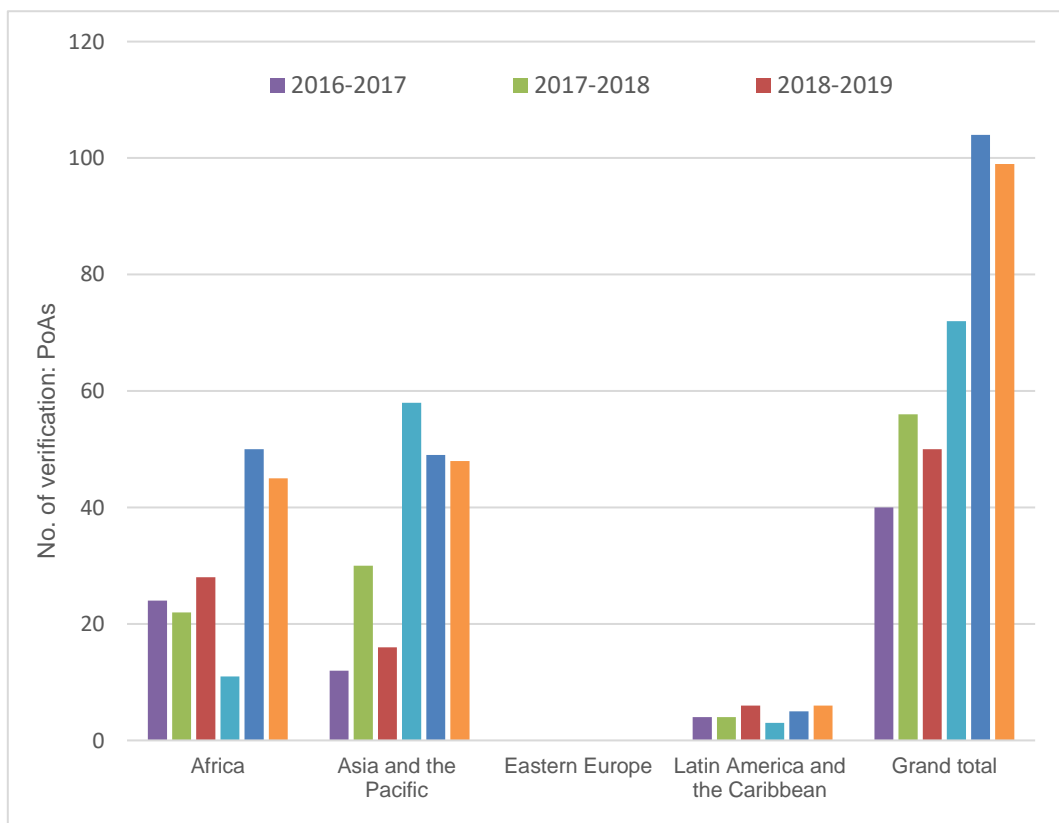


Figure 9. Number of verifications: PoAs



2.4.3. Distribution of activities by sectoral scope

28. The distribution of work per sectoral scope shown in Table 3. Number of validation and verification activities per sectoral scope^(a) 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 DOEs (validation)	No. of verification activities	No. of active DOEs (verification)
1	(49, 30, 134, 632,350) 117	(14, 11, 17, 23, 21) 16	(463, 280, 152, 201,247) 407	(28, 25, 22, 23,22) 20
2	(0, 1, 0, 0,0) 0	(0, 1, 0, 0,0) 0	(0, 0, 0, 0,0) 0	(0, 0, 0, 0,0) 0
3	(6,1, 155, 128,72) 59	(4, 6, 1, 8,9) 5	(41, 45, 37, 31,90) 76	(8, 7, 7, 6,8) 9
4	(6, 1, 0, 0,3) 0	(5, 1, 0, 0,2) 0	(28, 9, 6, 6,10) 3	(8, 5, 5, 4,5) 2
5	(1, 0, 0, 12,1) 1	(1, 0, 0, 4,1) 1	(22, 25, 19, 17,17) 11	(6, 6, 6, 7,5) 5
6	(0, 0, 0, 0,0) 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, 0, 1,1) 0	(2, 2, 2, 4,0) 0	(1, 2, 2, 4,0) 0
8	(0, 0, 0, 0,2) 0	(0, 0, 0, 0,1) 0	(13, 5, 3, 0,0) 0	(3, 2, 1, 0,0) 0
9	(0, 0, 0, 0,0) 0	(0, 0, 0, 0,0) 0	(2, 3, 2, 1,2) 1	(2, 2, 2, 1,1) 1
10	(1, 0, 0, 1,7) 0	(1, 0, 0, 1,2) 0	(15, 5, 3, 7,15) 5	(5, 2, 1, 3,4) 2
11	(0, 0, 0, 0,0) 1	(0, 0, 0, 0,0) 1	(4, 4, 1, 2,3) 1	(2, 2, 1, 2,2) 1
12	(0, 0, 0, 0,0) 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) 10	(2, 1, 8, 8,13) 5	(82, 54, 51, 52,58) 53	(17, 16, 13, 12,12) 14
14	(0, 0, 0, 2,1) 0	(0, 0, 0, 2,1) 0	(0, 3, 7, 4,9) 0	(0, 2, 3, 2,3) 0
15	(0, 0, 3, 1,9) 1	(0, 0, 1, 1,4) 1	(17, 15, 14, 14,5) 6	(6, 5, 3, 4,4) 3
16	(0, 0, 0, 0,0) 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.

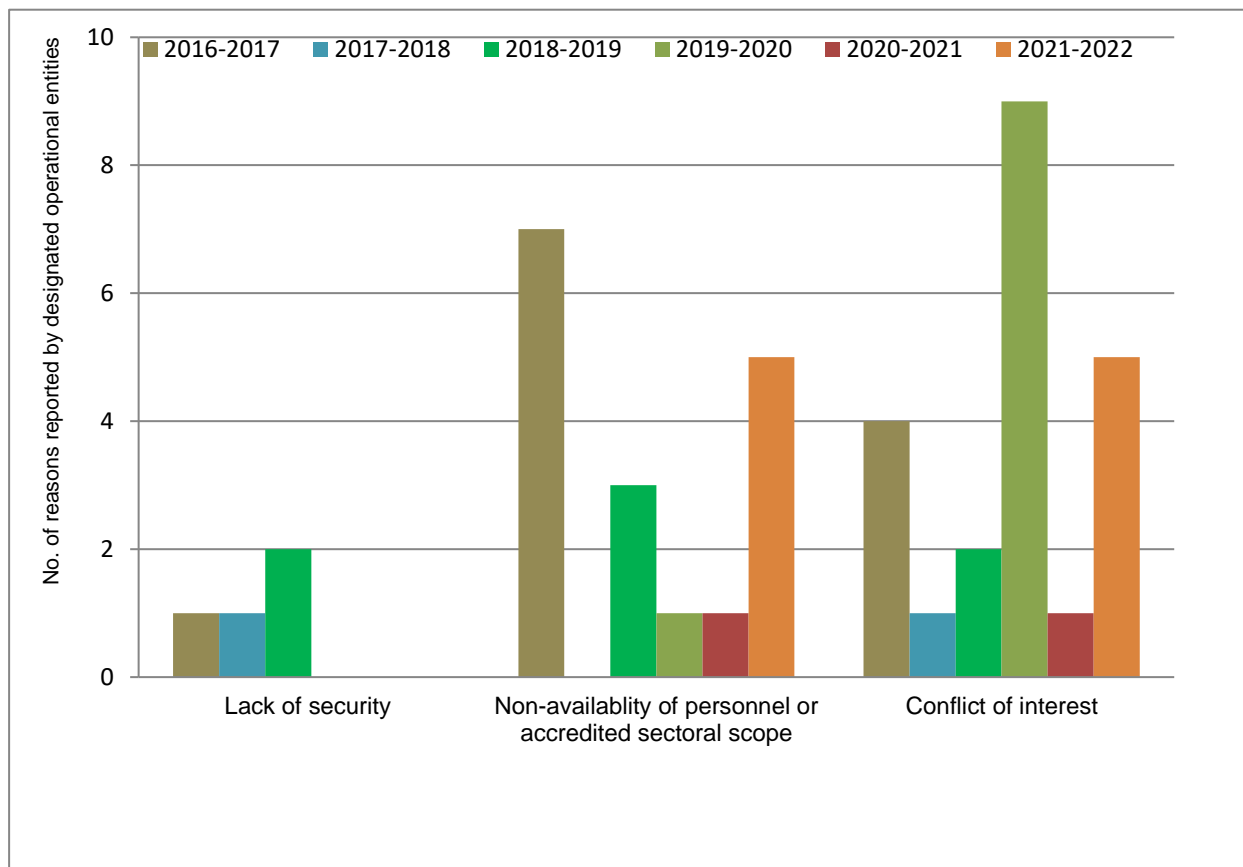
2.4.4. Project activities or programmes of activities declined by designated operational entities

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: (6, 1, 5, 3, 1) **4**;
- (b) Total number of assignments reported as declined for all DOEs: (>13, 2, 13, 12,2) **13**;
- (c) Number of different countries in which assignments were declined: (>9, 3, 9, 4,1) **5**;

- (d) The top country in terms of the number of assignments declined by entities was India (4). The number of assignments declined by entities by country in the previous reporting periods are as follows:
- (i) 2020–2021: India (2);
 - (ii) 2019–2020: India (9), Bangladesh (1), Colombia (1) and Qatar (1);
 - (iii) 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);
 - (iv) 2017–2018: Costa Rica (1), Mali (1) and Democratic Republic of the Congo (1);
 - (v) 2016–2017: India (3), Guatemala (>3), Chile (1), Colombia (1), Malawi (1), Malaysia (1), Myanmar (1), Niger (1), Nigeria (1) and Peru (1).
30. The reasons for declining the project activities or PoAs were categorized into four main reasons: Logistical difficulties (including travel costs) (1); non-availability of personnel or accredited sectoral scope (5); Economic (offer not accepted) (2) and conflict of interest (5). 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

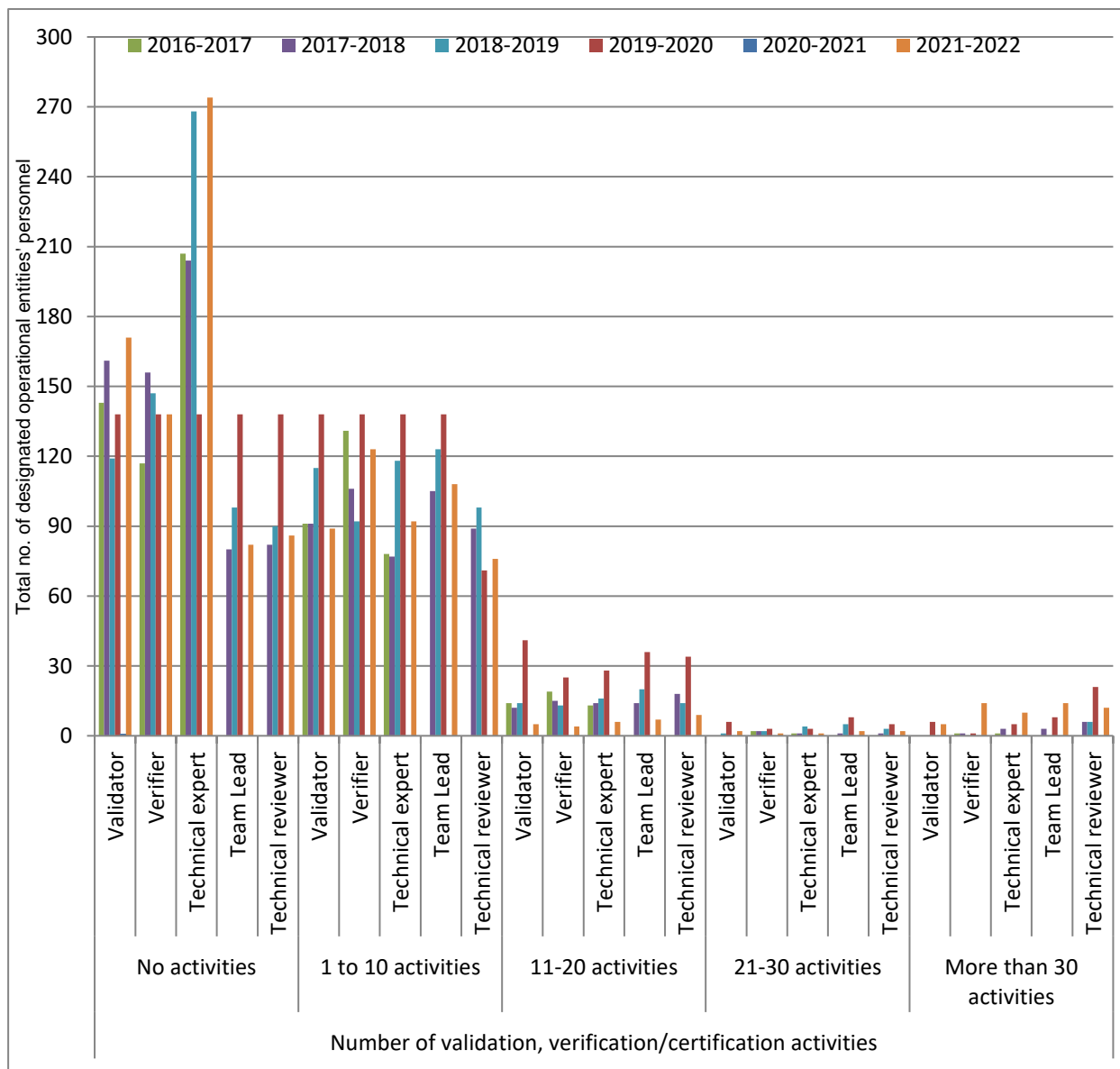
- 31. Eleven DOEs successfully concluded validation and verification activities of project activities, CPAs and PoAs in underrepresented countries (i.e. with fewer than 10 registered projects/PoAs) as of 30 June 2022 (9, 13, 16, 14,16).⁵
- 32. Ten validation activities and 34 verification activities 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 and 2020–2021: 39 validation activities and 38 verification activities).

2.4.6. Validation or verification/certification activities per qualified auditor

- 33. Figure 11 below shows the workload/auditor during the reporting period. The data were reported by DOEs per validator, verifier, lead auditor, technical expert and technical reviewer.

⁵ See table 2, footnote (b).

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

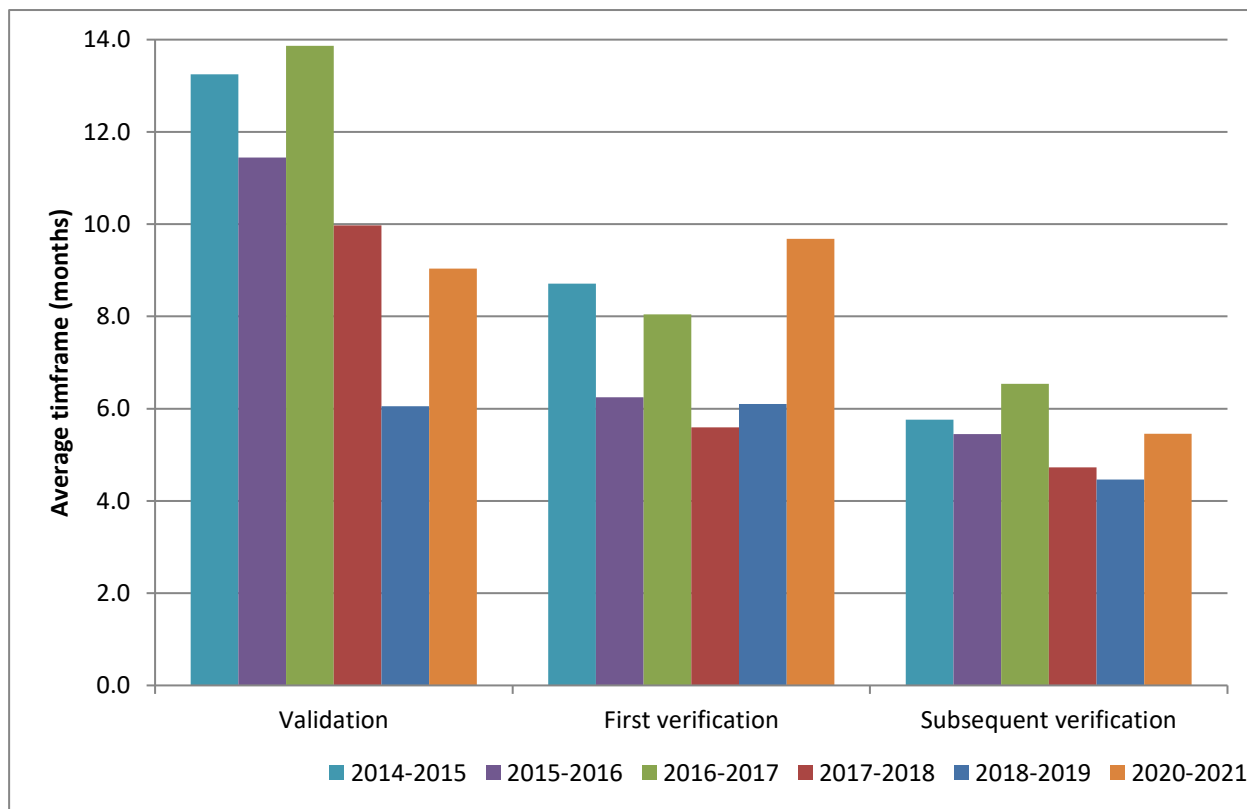


Table 4. Average minimum and maximum time frames for a validation per region (in months)

Region	Average shortest reported time frame	Average longest reported time frame
Africa	(2.8, 10.0, 2.0, 1.2,2.0) 2.0	(20.8, 31.9, 10.0, 10.0,46.0) 13.5
Asia and the Pacific	(5.5, 7.0, 2.0, 2.0,1.2) 2	(23.6, 15.0, 24.0, 14.0, 9.8) 119
Eastern Europe	(13.9, 9.0, 4.0, 7.7,3.5) 8.0	(20.8, 19.9, 8.0, 8.0,8.0) 8.0
Latin America and the Caribbean	(4.2, 7.0, 4.0, 1.0,1.6) 2.5	(20.8, 24.9, 12.0, 21.2,10.0) 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) 3.0	(12.1, 17.9, 11.0, 24.9,42.0) 12.0
Asia and the Pacific	(3.2, 3.9, 2.5, 1.6,1.0) 2.8	(13.7, 8.4, 10.0, 10.0,17.5) 113.0
Eastern Europe	(8.0, 5.0, 3.3, 3.3,3.0) 4.0	(12.1, 11.2, 4.0, 4.0,4.0) 4.0
Latin America and the Caribbean	(2.4, 3.9, 2.5, 3.5,1.0) 2.0	(12.1, 14.0, 10.0, 6.5,10.0) 27.5

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

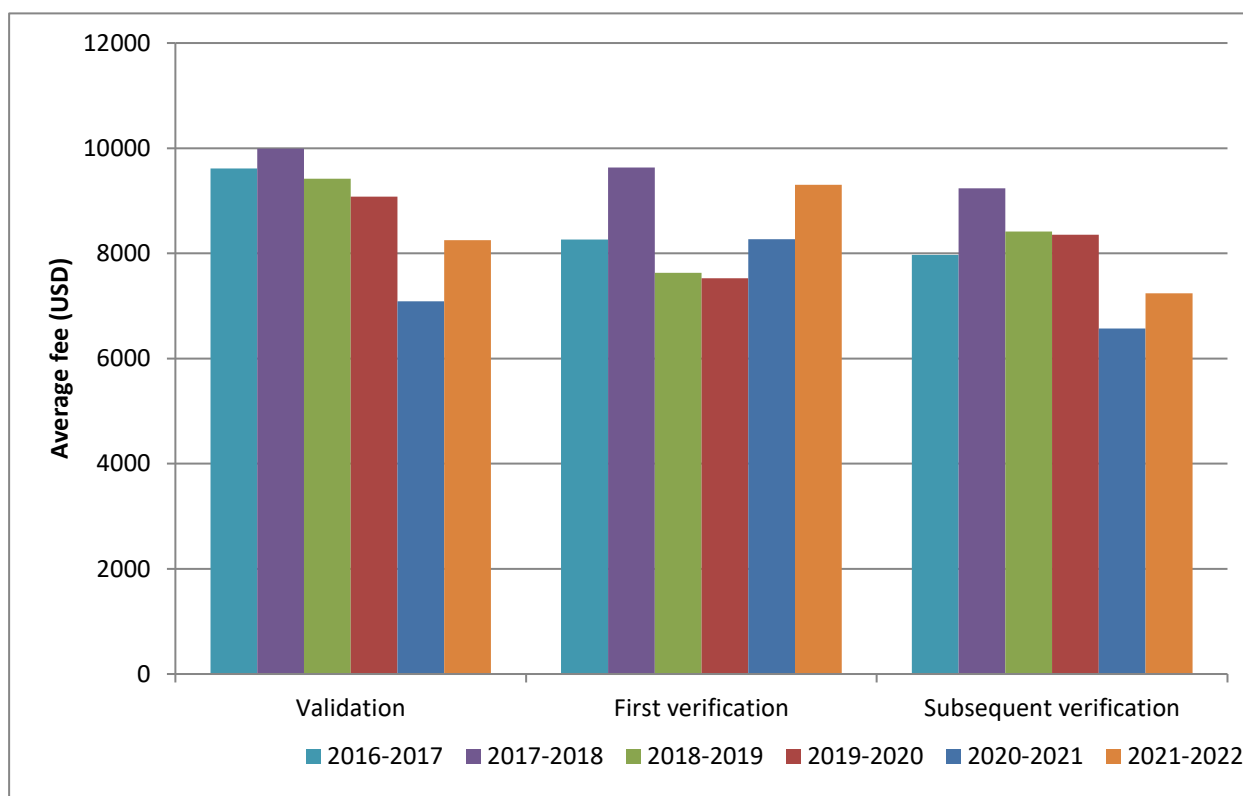


Table 6. Average minimum and maximum fees for a validation in each region (in USD)

Region	Average minimum reported fee	Average maximum reported fee
Africa	(8654, 8994, 3000, 2750, 3500) 2500	(19231, 24983, 27300, 30000, 14000) 9000
Asia and the Pacific	(3846, 6995, 1100, 1300, 1250) 1500	(11539, 14990, 28000, 29234, 30000) 10633
Eastern Europe	(9616, 9993, 4000, 4000, 4000) 4000	(19231, 19986, 15000, 4620, 12000) 4000

Region	Average minimum reported fee	Average maximum reported fee
Latin America and the Caribbean	(7692, 5996, 4688, 3750, 5000) 3000	(23077, 29979, 16488, 12800, 99792) 35028

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) 4000	(16213, 23525, 22000, 18000,14133) 13000
Asia and the Pacific	(3243, 6587, 1100, 1400,1500) 2000	(9728, 14115, 23000, 21600,27800) 11111
Eastern Europe	(8107, 9410, 3520, 3520,3600) 3600	(16213, 18820, 14000, 6435,11000), 3600
Latin America and the Caribbean	(6485, 5646, 3840, 3840,4200) 4200	(19456, 28230, 16500, 17000,92903) 78101

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) 2000	(19231, 12991, 30000, 40000,35000) 16000
Small-scale project activity	(6731, 6995, 800, 1000,1050) 1500	(12500, 12991, 25000, 13380,69929) 21468
Programme of activities	(5769, 5996, 3000, 2200,2600) 2600	(21154, 24983, 28000, 30000,34000) 24069

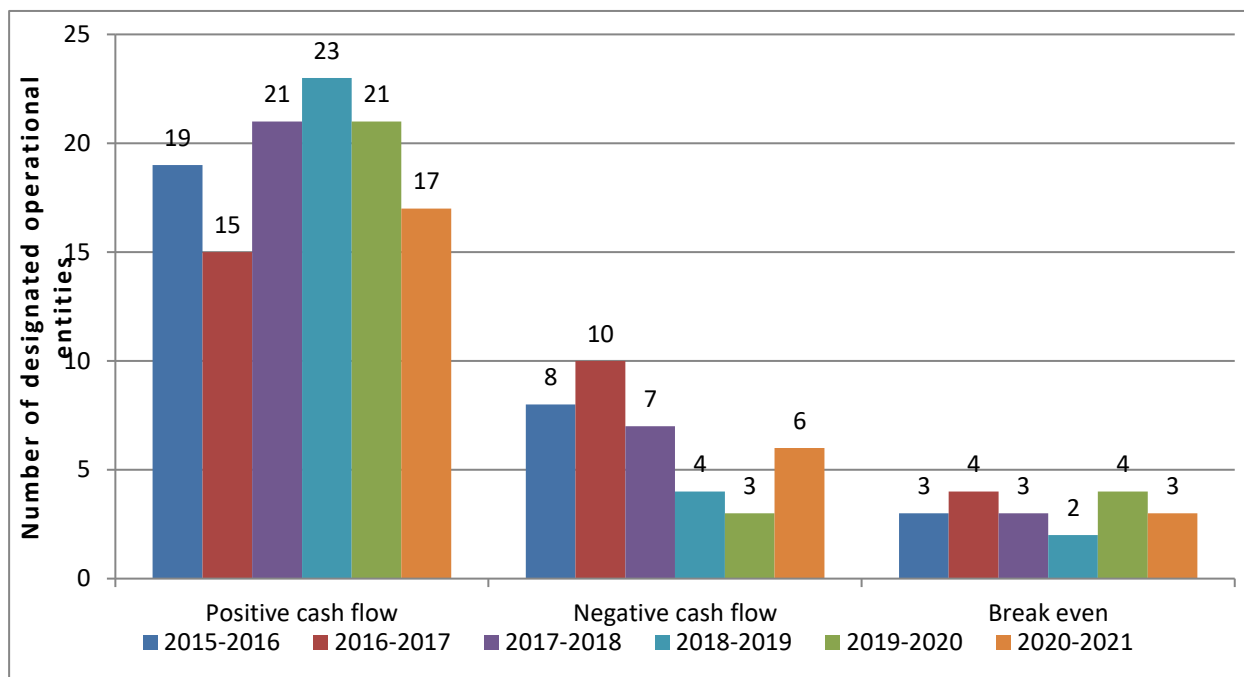
Table 9. Average minimum and maximum fees for a verification for each activity type (in USD)

Activity type	Average minimum reported fee	Average maximum reported fee
Large-scale project activity	(5675, 8469, 1800, 1800,1800) 1800	(16213, 12233, 26000, 19500,22000) 55607
Small-scale project activity	(5675, 6587, 800, 1600,1500) 1800	(10539, 12233, 22000, 17500,92903) 21806
Programme of activities	(4864, 5646, 2700, 2140,2700) 2700	(17834, 23525, 25000, 27000,33400) 22000

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 six reporting periods.

Figure 14. Income and expenditure trend



38. During the reporting period:

- (a) Seventeen DOEs (i.e. 68 per cent) reported a higher income than expenditure;
- (b) Six DOEs reported a lower income than expenditure;
- (c) Three DOEs reported 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 four areas, as follows:

- (a) Uncertainty on how the Article 6.4 of the Paris Agreement will be linked to the CDM;
- (b) 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 as well as maintaining the competency of the auditors;
- (c) Lack of opportunities to practice and implement the updated CDM requirements due to the low volume of projects;
- (d) Experience with the CDM and current market conditions having provided opportunities to seek and support other certification business;
- (e) The COVID-19 pandemic enabling DOEs to update their systems to accommodate remote validation and/or verification/certification activities and remote

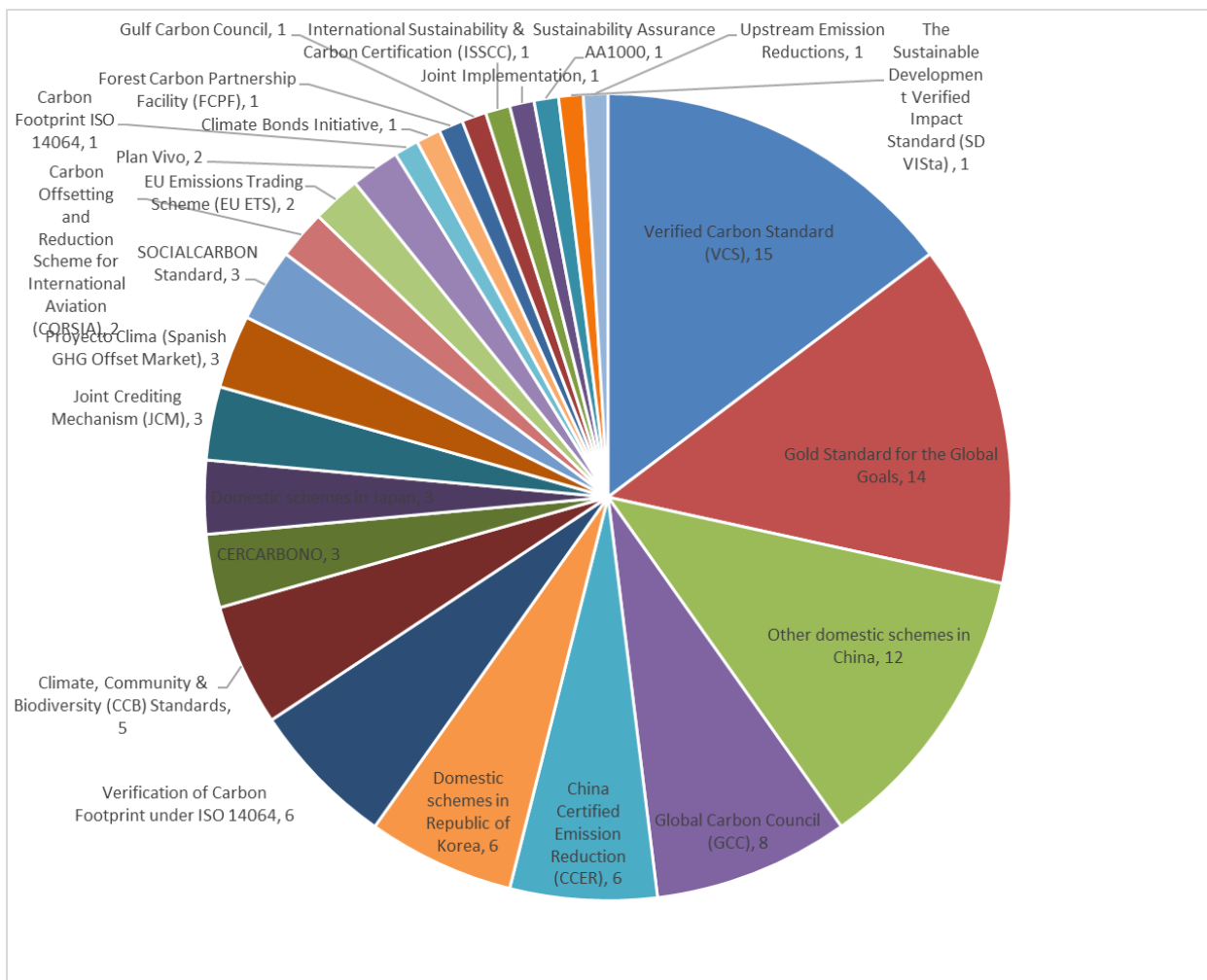
accreditation-related assessments. Some DOEs have reported challenges in conducting remote validation and/or verification/certification activities.

2.7. Other business activities

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

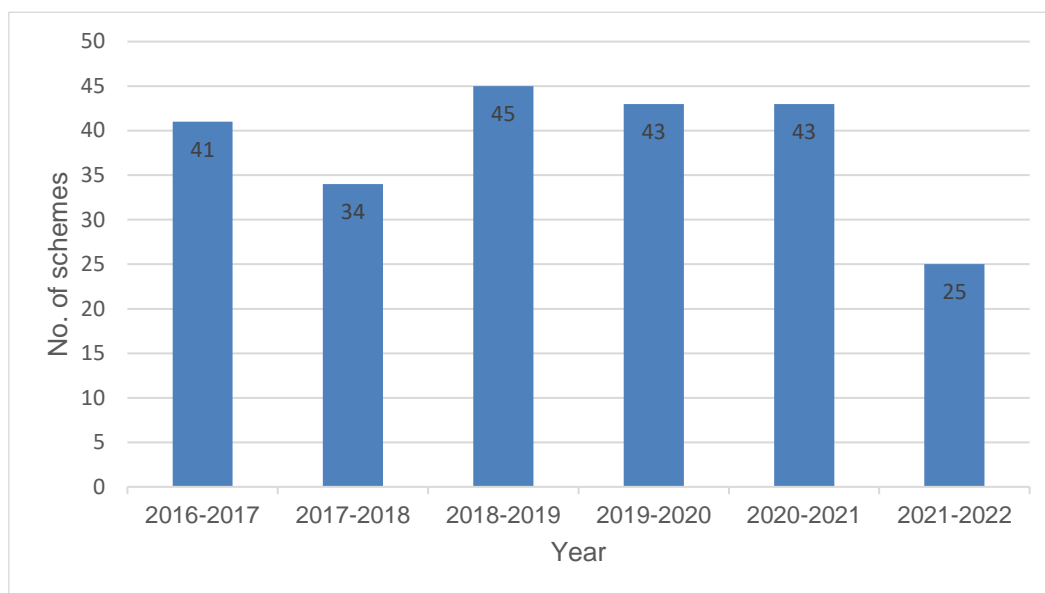
41. The most frequently listed schemes in addition to the CDM are provided in figure 15.

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



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

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



- 43. 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 102 activities (2016-2017: 101 activities; 2017-2018: 89 activities; 2018-2019: 99 activities; 2019-2020: 96 activities and 2020-2021: 101 activities).
- 44. Schemes mostly operated include the Verified Carbon Standard, Gold Standard for the Global Goals, domestic schemes in China, Global carbon council, China Certified Emission Reduction (CCER), 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.
- 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. 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.

CDM-2022SYN-INFO01

Synthesis report of the annual activity reports submitted by the designated operational entities for the reporting period 1 July 2021 to 30 June 2022

Version 01.0

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