

**CDM-EB87-AA-A06**

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# Synthesis report of the annual activity reports submitted by the DOEs 2014–2015

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. In accordance with paragraph 27(g) of the “Modalities and procedures for a clean development mechanism” (CDM)<sup>1</sup> and section 18 of the “CDM accreditation procedure” version 11.0, designated operational entities (DOEs) shall submit an annual CDM activity report to the CDM Executive Board (hereinafter referred to as the Board). Every year the secretariat produces a synthesis report of the annual activity reports submitted by the DOEs.
2. Paragraphs 20 and 21 of decision 2/CMP.5 require information to be collected regarding the number of project activities under validation or verification per qualified auditor, and the time frames and average fees for the validation and verification of CDM projects by region. The annual activity reporting process provides an opportunity to gather such information from the DOEs, which has subsequently been aggregated below.
3. The previous synthesis report was presented at the eighty-second meeting of the Board, where the Board requested the secretariat to further enhance future synthesis reports by considering suggestions made during the discussion under this agenda item. The mandate has been met by using more accurate and consistent information from the secretariat’s own information system, including information on programmes of activities. For recommendations and future policy directions, see the items routinely discussed at meetings of the Board under agenda item 2.2 (strategic planning and direction).

### 2. Purpose

4. The purpose of the present report is to enable a range of stakeholders to understand the current status of the operations of DOEs.

### 3. Key issues and proposed solutions

5. The present document is a synthesis report, prepared by the secretariat, of the annual activity reports submitted by DOEs in 2015, in accordance with the requirements of section 18 of the CDM accreditation procedure version 11.0, covering the period from 1 July 2014 to 30 June 2015.
6. Several observations were drawn from the results presented in the synthesis report:
  - (a) There are at least 16 DOEs accredited in each sectoral scope (excluding sectoral scope 16 where there is only one) indicating that there is sufficient coverage of accredited DOEs in each sectoral scope. Geographic coverage is also extensive, with more than one third of the DOEs working in countries with fewer than 10 registered CDM projects.

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<sup>1</sup> (decision 3/CMP.1, annex)

- (b) Complaints against DOEs (DOE internal complaints procedure) have almost ceased.
- (c) Validation and verification services remain predominately in the hands of a quarter of all DOEs; the distribution of these has changed over time.
- (d) Based on the fees charged by DOEs, the trend in income and expenditure and number of personnel working for the DOEs, it seems that consolidation has eased after a period of aggressive price cuts and downsizing.

#### **4. Impacts**

- 7. This report is a public document and will enable a range of stakeholders to understand, in a transparent way, the current status of the operations of DOEs.

#### **5. Subsequent work and timelines**

- 8. The work on this report will be complete following its consideration at this Board meeting.

#### **6. Recommendations to the Board**

- 9. The secretariat recommends that the Board take note of the attached information note.

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## **1. Executive summary**

1. This report provides information and analysis regarding the accreditation status of the 39 designated operational entities (DOEs) accredited as at 30 June 2015, the end of the reporting period. It also 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 by them. The information is taken from the individual annual activity reports, the CDM Information System and decisions of the Executive Board of the CDM (hereinafter referred to as the Board).
2. There are at least 16 DOEs accredited in each sectoral scope (excluding sectoral scope 16 where there is only one), indicating that there is sufficient coverage of accredited DOEs in each sectoral scope. Geographic coverage is also extensive, with more than one third of DOEs working in countries with fewer than 10 registered CDM projects.

## **2. Introduction**

3. In accordance with paragraph 27(g) of the “Modalities and procedures for a clean development mechanism”<sup>2</sup> (decision 3/CMP.1, annex) and section 18 of the “CDM accreditation procedure” version 11.0, 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.

## **3. Scope**

4. The present document is a synthesis report of the annual activity reports submitted by DOEs in 2015.

## **4. Synthesis report**

### **4.1. Introduction**

5. This report is for the period from 1 July 2014 to 30 June 2015. In addition, for comparative purposes, there are data from the previous three reporting periods, covering the period from 1 July 2011 to 30 June 2014.
6. As in previous iterations, the deadline for submission of the annual activity report was 30 September. Of the 39 DOEs that were accredited as at 30 June 2015, 37 submitted their annual activity report and supporting documentation (synthesis report of the work of the impartiality committee). Of the 37 DOEs that submitted reports, four missed the deadline. The submission from one DOE was too late to be included in this report. Therefore, where data below are based on the annual activity reports, only 36 reports were drawn on.
7. The data were submitted by DOEs using the form CDM-AAR-FORM (v.3). In addition, this synthesis report draws on other data sources such as the CDM Information System and decisions by the Board.

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<sup>2</sup> Decision 3/CMP.1, annex.

## 4.2. Accreditation status

### 4.2.1. Scope(s) accredited for and date of accreditation

8. During the reporting period two DOEs were accredited. In addition, eight complete withdrawals and four partial withdrawals occurred.
9. Accredited sectoral scopes are taken from the accreditation certificates. The data are presented in a short summary and in table 1 below:
  - (a) Average number of sectoral scopes a DOE is accredited for: (8, 9, 9)<sup>3</sup> **10**;
  - (b) Number of DOEs accredited in 15 sectoral scopes: (10, 10, 7) **8** (there is only one DOE that is accredited for all 16 scopes);
  - (c) Occurrences of suspension during the reporting period: (1, 2, 1) **1**.

**Table 1. Accreditation status of DOEs (as at 30 June 2015)**

Ref.	Entity	Country	Sectoral scope <sup>4</sup> for validation/verification
<b>E-0001</b>	Japan Quality Assurance Organisation (JQA)	Japan	1, 3–5, 9, 10, 13, 14
<b>E-0003</b>	DNV Climate Change Services AS (DNV)	Norway	1, 3, 5, 13, 14
<b>E-0005</b>	TÜV SÜD South Asia Private Limited (TÜV SÜD)	India	1–15
<b>E-0006</b>	Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd. (Deloitte-TECO)	Japan	1–5, 8, 10, 12, 13, 15
<b>E-0009</b>	Bureau Veritas Certification Holding SAS (BVCH)	France	1–15
<b>E-0010</b>	SGS United Kingdom Limited (SGS)	United Kingdom	1–7, 9–13, 15
<b>E-0011</b>	Korea Energy Management Corporation (KEMCO)	Republic of Korea	1, 3–5, 7, 9, 11–15
<b>E-0013</b>	TÜV Rheinland (China) Ltd (TÜV Rheinland)	China	1–15
<b>E-0016</b>	ERM Certification and Verification Services Ltd. (ERM CVS)	United Kingdom	1–5, 8–10, 13, 15

<sup>3</sup> For comparative purposes the data from the 2011–2012, 2012–2013 and 2013–2014 reporting periods are stated respectively in italic text in brackets.

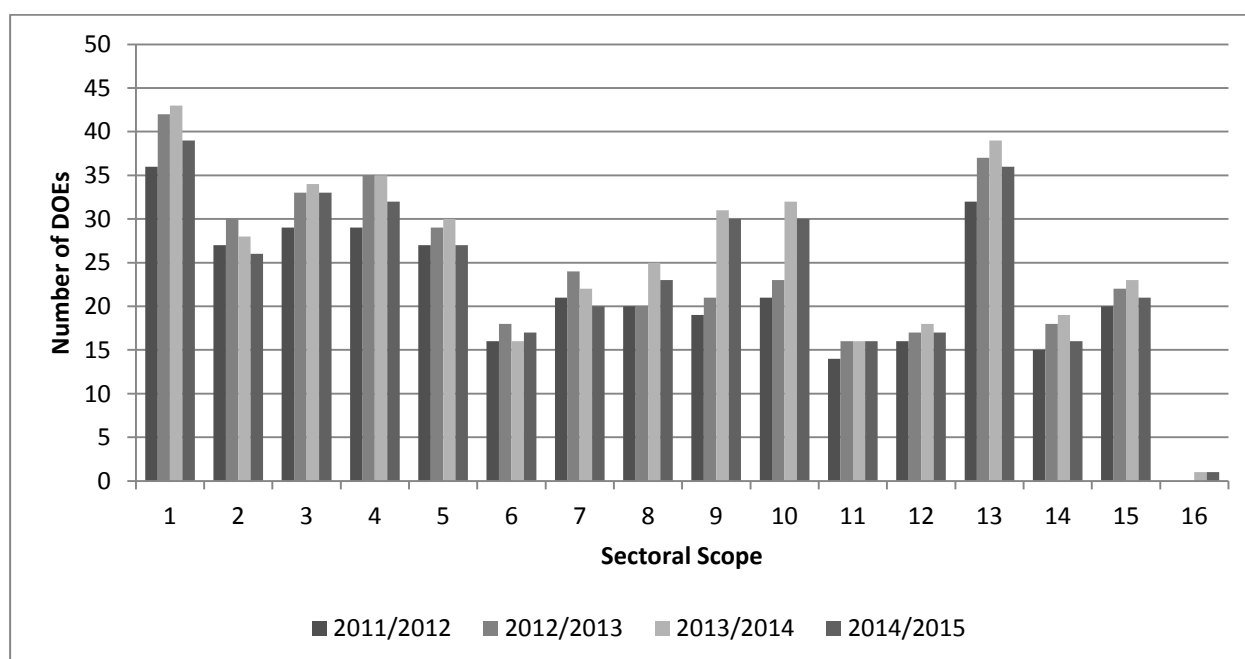
<sup>4</sup> The sectoral scopes are defined in the CDM accreditation standard (v.6) (CDM-EB46-A02-STAN) as follows: 1: Energy industries (renewable/non-renewable sources); 2: Energy distribution; 3: Energy demand; 4: Manufacturing industries; 5: Chemical industry; 6: Construction; 8: Mining/mineral 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 CO<sub>2</sub> in geological formations.

Ref.	Entity	Country	Sectoral scope <sup>4</sup> for validation/verification
E-0020	Conestoga Rovers & Associates Ltd (CRA)	Canada	1, 4, 5, 8–10, 12, 13
E-0021	Spanish Association for Standardisation and Certification (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	1–13
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, 8–11, 13
E-0031	Perry Johnson Registrars Carbon Emissions Services (PJRCES)	United States	1–4, 7, 9, 10, 12, 13, 15
E-0032	LGAI Technological Center, S.A. (Applus)	Spain	1, 13
E-0034	China Environmental United Certification Center Co., Ltd. (CEC)	China	1–15
E-0037	RINA Services S.p.A. (RINA)	Italy	1–11, 13–15
E-0038	SIRIM QAS INTERNATIONAL SDN.BHD (SIRIM)	Malaysia	1–4, 7–10, 13, 15
E-0039	Korean Standards Association (KSA)	Republic of Korea	1–5, 9, 10, 13
E-0041	Japan Management Association (JMA)	Japan	1–4, 6, 8, 9, 14
E-0042	Germanischer Lloyd Certification GmbH (GLC)	Germany	1, 3, 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
E-0051	KBS Certification Services Pvt. Ltd (KBS)	India	1, 3–5, 7, 9, 10, 12, 13, 15
E-0052	Carbon Check (Pty) Ltd (Carbon Check)	South Africa	1–5, 8–10, 13, 14
E-0054	Re-consult Ltd. (Re-consult)	Turkey	1
E-0055	URS Verification Private Limited (URS)	India	1, 13

Ref.	Entity	Country	Sectoral scope <sup>4</sup> for validation/verification
E-0056	Korea Testing & Research Institute (KTR)	Republic of Korea	1, 4, 5, 9–11, 13
E-0058	Foundation for Industrial Development (MASCI)	Thailand	1, 3, 4, 9, 10, 13, 15
E-0061	Shenzhen CTI International Certification Co., Ltd (CTI)	China	1–4, 6–10, 13
E-0062	EPIC Sustainability Services Pvt. Ltd. (EPIC)	India	1–11, 13–15
E-0063	Northeast Audit Co., Ltd (NAC)	China	1–13, 15
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, 3–5, 8, 10, 12, 13, 15
E-0067	China Certification Center, Inc. (CCCI)	China	1–15

10. The most DOEs (39) are accredited in sectoral scope 1 and the least DOEs (1) are accredited in sectoral scope 16. Figure 1 below provides an overview of how many DOEs were accredited per sectoral scope. Generally there was a decrease in the number of DOEs accredited per sectoral scope, with an increase only observed in sectoral scope 6.

**Figure 1. Number of DOEs accredited per sectoral scope**





#### 4.2.2. 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: (33, 39, 39) **35**;
  - (b) Number of DOEs reducing the sectoral scopes for which they are accredited (i.e. partial withdrawals): (3, 3, 4) **4**;
  - (c) Number of DOEs increasing the sectoral scopes for which they are accredited (i.e. extension of scope): (4, 2, 1) **0**.

#### 4.3. Organization

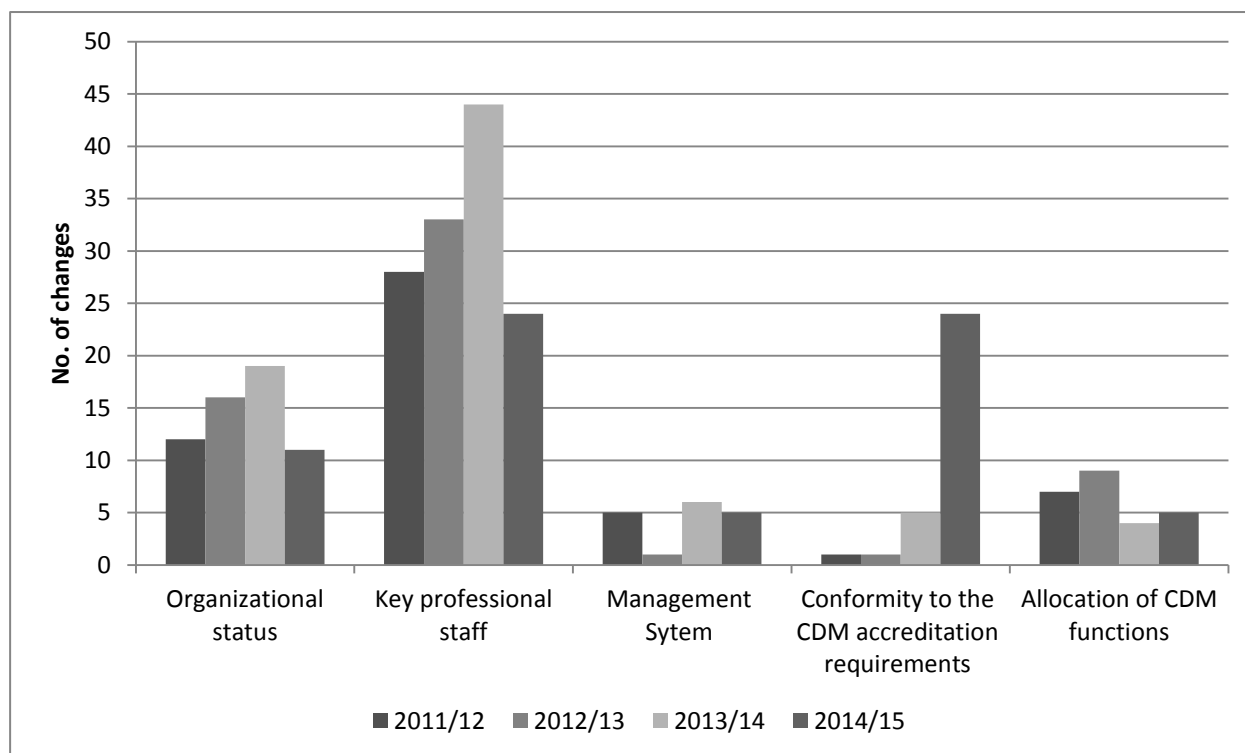
##### 4.3.1. Major changes in organizational structure and personnel

12. In accordance with section 17 of the “CDM accreditation procedure” version 11 (hereinafter referred to as the CDM accreditation procedure), a DOE shall inform the secretariat of any planned significant change.
13. The DOEs reported on major changes that had taken place within the reporting period as follows:
- (a) Sixty-nine per cent of DOEs<sup>5</sup> (25) reported major changes in organizational structure and personnel (63% and 26, 53% and 23, 64% and 28);
  - (b) Total number of changes reported in the period: (53, 60, 76) **69**;
  - (c) Average number of reported changes per DOE: (1, 1, 2) **2**;
  - (d) Highest number of reported changes for a DOE: (9, 5, 8) **7**.
14. The changes were reported as per the CDM accreditation procedure, as outlined below in table 2 and visually displayed in figure 2.

**Table 2. Reported changes in organizational structure and personnel 2014–2015**

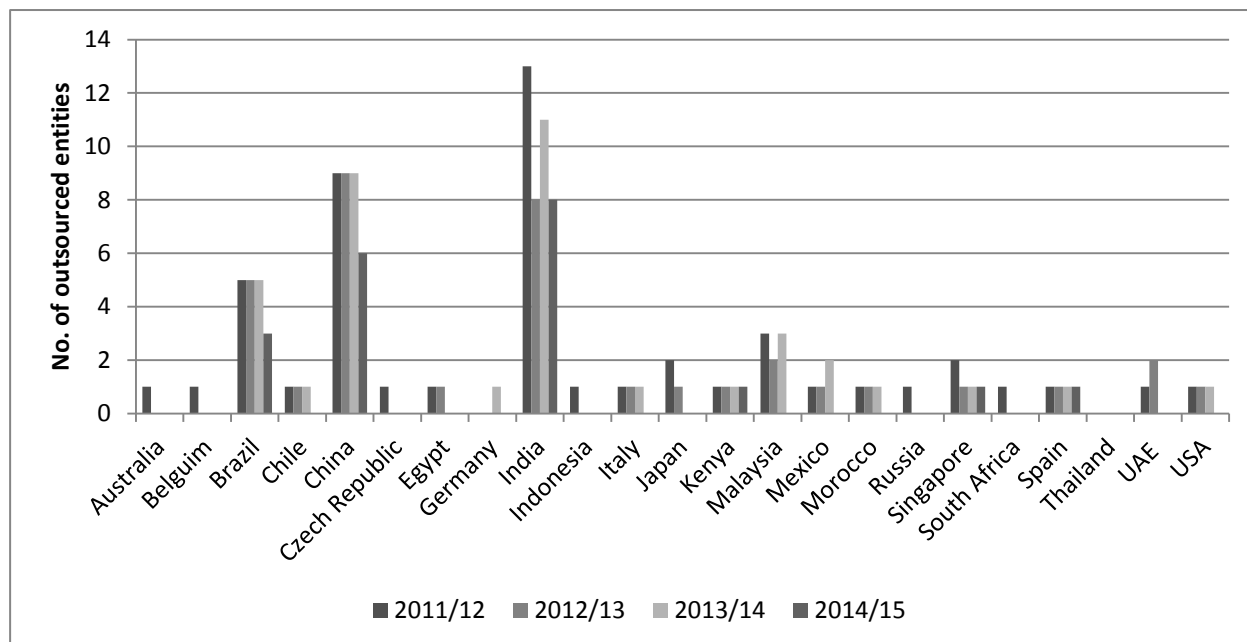
Type of change	Description of change	Number of changes
A	Legal, commercial or organizational status, e.g. ownership, partnership	(12, 16, 19) <b>11</b>
B	Key professional staff	(28, 33, 44) <b>24</b>
C	Management system	(5, 1, 6) <b>5</b>
D	<i>Conformity to the CDM accreditation requirements</i>	(1, 1, 5) <b>24</b>
E	Allocation of CDM functions to other offices or outsourced bodies	(7, 9, 4) <b>5</b>

<sup>5</sup> Percentages throughout this report are given in reference to the source of the data. If the data are taken from the annual activity reports, they are taken from the 36 annual activity reports that were submitted when the present report was compiled. If the data are taken from the CDM information system, percentages are in relation to all 39 DOEs accredited as at the end of the reporting period.

**Figure 2. Changes reported to the CDM Accreditation Panel**

#### 4.3.2. List of outsourced entities/other legal entities to which the DOE outsourced some of the validation and verification/certification functions

15. In accordance with the CDM accreditation standard, a DOE may outsource some of the validation and verification/certification functions.
16. The DOEs reported on the allocation of functions to outsourced entities that had taken place within the reporting period, as follows:
  - (a) Twenty-two per cent of DOEs (8) reported having outsourced entities (23% and 9, 23% and 9, 27% and 12);
  - (b) Average number of declared outsourced entities: (5, 5, 3) 2;
  - (c) Highest number of outsourced entities for a DOE: (13, 7, 7) 4.
17. Figure 3 below shows the countries in which the outsourced entities are located, the highest represented countries being India with (13, 8, 11) 8, China with (9, 9, 9) 6 and Brazil with (5, 5, 5) 3.

**Figure 3. Location of outsourced entities**

#### 4.3.3. Use of external individuals

18. In accordance with the CDM accreditation standard, DOEs may make use of external validators, verifiers and technical experts.
19. The DOEs reported on the use of external personnel that had taken place within the reporting period, as follows:
  - (a) Ninety-four per cent of DOEs (34) reported utilizing external personnel (*88% and 35, 67% and 29, 82% and 37*);
  - (b) Average number of external personnel utilized per DOE: (*17, 19, 21*) **18**;
  - (c) Highest number of external personnel utilized by a DOE: (*70, 74, 75*) **62**.

#### 4.3.4. Management systems

##### 4.3.4.1. Internal audits carried out

20. All 36 DOEs that submitted their annual activity reports carried out at least one internal audit. In the previous three reporting periods there was complete compliance regarding the internal audit.

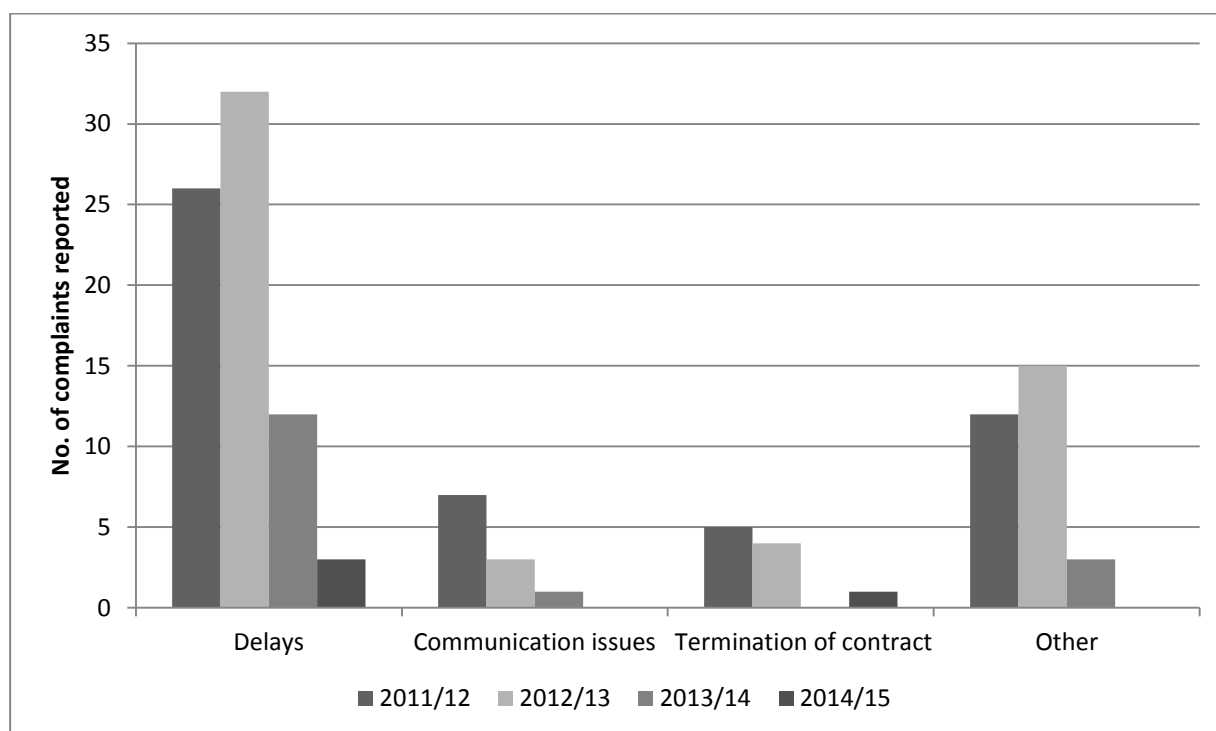
##### 4.3.4.2. Management reviews carried out

21. Of the 36 DOEs that submitted their annual activity reports, 35 carried out at least one management review. In the previous monitoring period two DOEs failed to carry out at least one management review.

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

22. Section 14 of the CDM accreditation standard relates to the handling of complaints, disputes and appeals as received by the DOE.
23. The DOEs reported on the complaints, disputes and appeals that had been received during the reporting period:
- Eleven per cent of DOEs (4) reported receiving complaints, disputes or appeals (30% and 12, 30% and 13, 13% and 6);
  - Seventy-five per cent of reported complaints, disputes and appeals (3) were from project participants, with the remainder coming from stakeholders (92% and 4, 69% and 9, 71% and 12);
  - The total number of complaints, disputes and appeals received: **4** (4 complaints, 0 appeals); (2011/2012: 45 complaints, 4 disputes, 3 appeals; 2012/13: 54 complaints, 4 disputes and 4 appeals; 2013/14: 16 complaints, 1 appeal);
  - The highest number of complaints, disputes and appeals received by one DOE was **1** (1 complaint); 2011/2012: 13 (12 complaints, 1 dispute); 2012/13: 11 (7 complaints, 4 disputes); 2013/14: 7 (7 complaints).
24. Figure 4 below shows the complaints broken down according to the following classification types: delays, communication issues, termination of contract and other issues. For the complaints reported as “other”, the following reasons were given: dispute concerning the bidding terms of a validation and disagreement on interpreting rules.

**Figure 4. Reported number of complaints per type**



**4.3.6. CDM-related training undertaken**

25. Thirty-four of thirty-six DOEs reported conducting CDM-related training:<sup>6</sup>
- (a) Average number of training sessions per DOE: (9, 8, 9) **4**;
  - (b) Average duration of training session: (11, 10, 9) **7** hours;
  - (c) Average number of participants per session: (10, 12, 13) **10**;
  - (d) Highest number of training sessions for a DOE: (38, 34, 55) **25**.
26. Of the 133 CDM-related training sessions, 102 were internal and 17 were conducted by external providers. A further 14 training sessions were provided in combination with external providers.
- (a) The equivalent figures for the 2011–2012 reporting period were: 381 CDM-related training sessions, whereby 293 were internal and 78 were conducted by external providers, representing 20 per cent;
  - (b) The equivalent figures for the 2012–2013 reporting period were: 343 CDM-related training sessions, 260 were internal and 83 were conducted by external providers, representing 24 per cent;
  - (c) The equivalent figures for the 2013–2014 reporting period were: 374 CDM-related training sessions, 297 were internal and 77 were conducted by external providers, representing 21 per cent.
27. There were more than (40, 40, 40) **10** training providers, from national and international institutes and associations, standards associations and government departments, some of which are highlighted below:
- (a) Asian Development Bank;
  - (b) GHG Management Institute;
  - (c) Gold Standard;
  - (d) Greenhouse Gas Assurance Association of Japan (GAJ);
  - (e) Individual consultants;
  - (f) Institute for Global Environmental Strategies (IGES);
  - (g) Ministry of Natural Resources and Environment (Thailand);
  - (h) National Accreditation Board for Certification Bodies (India);
  - (i) National Institute of Environmental Human Resources Development (South Korea);
  - (j) Other DOEs;
  - (k) Thailand Greenhouse Gas Management Organization;

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<sup>6</sup> The level of detail as reported varied across the DOEs for this section.

(l) TÜV NORD Akademie;

(m) UNFCCC secretariat.

#### 4.4. Activities relating to the consideration of project activities

##### 4.4.1. Status of project activities

28. Information regarding project activities was taken from the CDM Information System and from information provided by the DOEs.
29. The DOEs submitted information on all the CDM projects that they had worked on during the reporting period as presented in the short summary and table 3 below:
- (a) Ten DOEs were responsible for 75 per cent of the validation of projects initiated during the period:
    - (i) 2013–2014: 10 DOEs were responsible for 80 per cent;
    - (ii) 2012–2013: 10 DOEs were responsible for 70 per cent;
    - (iii) 2011–2012: 10 DOEs were responsible for 70 per cent;
  - (b) Ten DOEs were responsible for 72 per cent of the verification of projects initiated during the period:
    - (i) 2013–2014: 10 DOEs were responsible for 76 per cent;
    - (ii) 2012–2013, 10 DOEs were responsible for 83 per cent;
    - (iii) 2011–2012, 10 DOEs were responsible for 83 per cent.

**Table 3. Status of project activities**

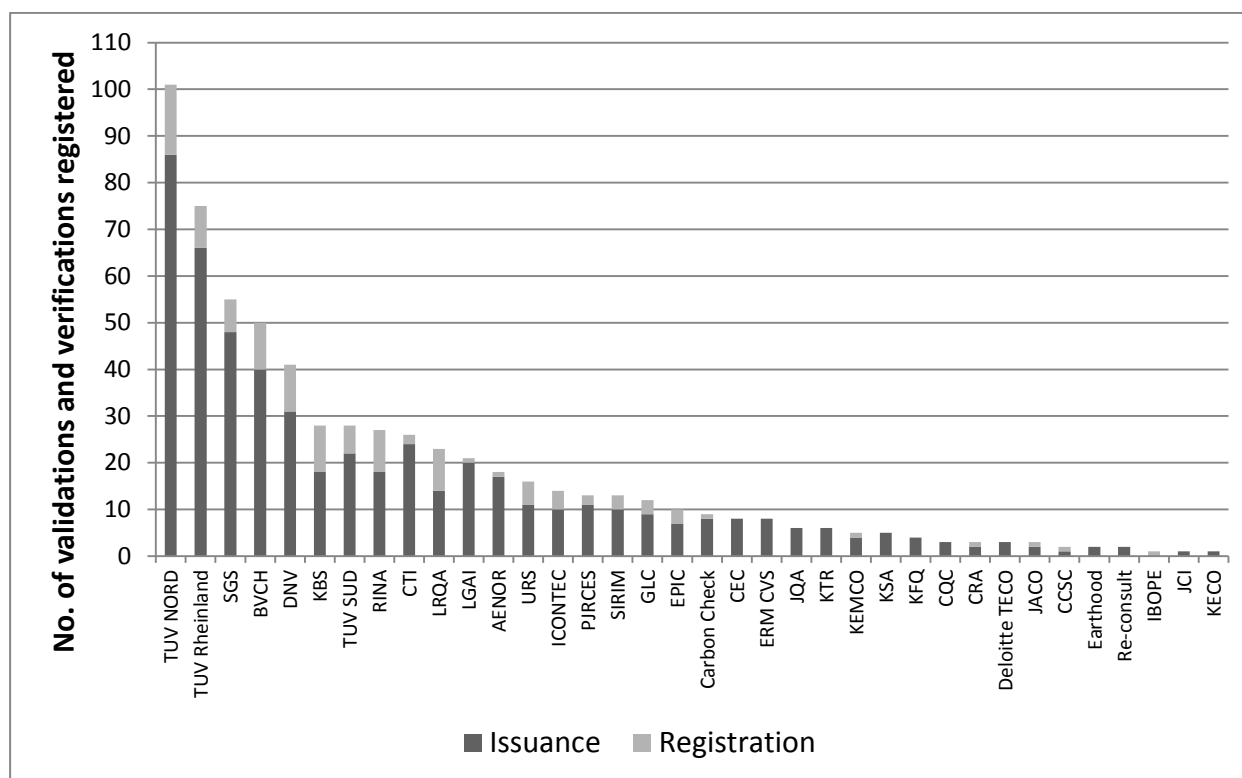
<b>Validation status</b>	<b>No. of validation activities</b>	<b>No. of verification activities</b>
Initiated during this reporting period <sup>7</sup>	(2 721, 793, 336) <b>203</b>	(1 735, 1 668, 568) <b>403</b>
Contract terminated during this reporting period	(244, 309, 193) <b>157</b>	(29, 36, 79) <b>74</b>
Registered (validation)/certified emission reductions issued (verification) during this reporting period	(1 081, 2 593, 297) <b>115</b>	(1 370, 2 236, 559) <b>528</b>
Rejected during this reporting period	(23, 28, 9) <b>3</b>	(13, 5, 3) <b>1</b>

<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.

Validation status	No. of validation activities	No. of verification activities
Validation/verification ongoing as of final date of the reporting period (not yet submitted for registration/request for issuance)	(3564, 1 386, 726) <b>518</b>	(1 364, 747, 418) <b>318</b>
Validation/verification ongoing as of final date of the reporting period (already submitted for registration/request for issuance)	(510, 901, 256) <b>56</b>	(413, 840, 296) <b>106</b>

30. Figure 5 below indicates the distribution of registered validations and verifications among the DOEs. This indicates that a relatively small number of DOEs play a critical role in servicing the majority of the international needs for CDM validation and verification services.

**Figure 5. Distribution of validations and verifications among the DOEs**



#### 4.4.2. Regional distribution of project activities

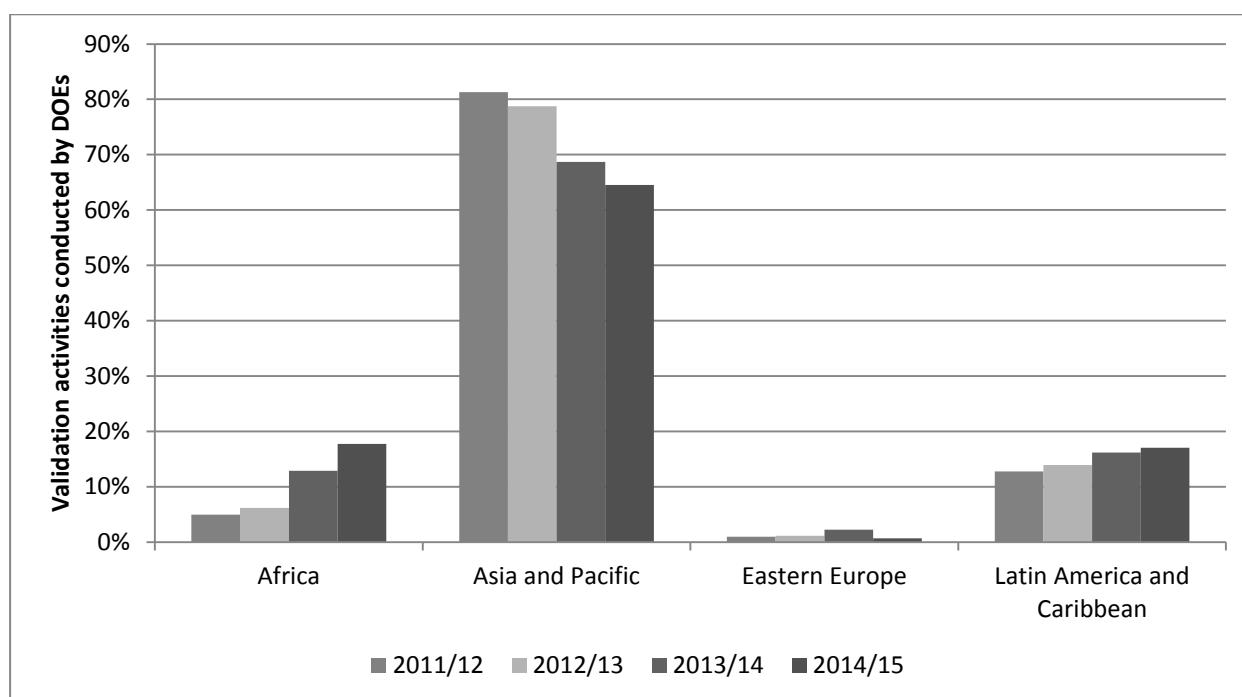
31. Table 4 below provides an overview of project activities and programmes of activities registered during the period (by region). In this period project activities and programmes of activities are reported on separately for the first time and therefore no historical data is provided (previously, DOEs reported the sum of their activities without distinction

between project activities and programmes of activities). The data relating to regional distribution are shown in table 4, figure 6 and figure 7 below.

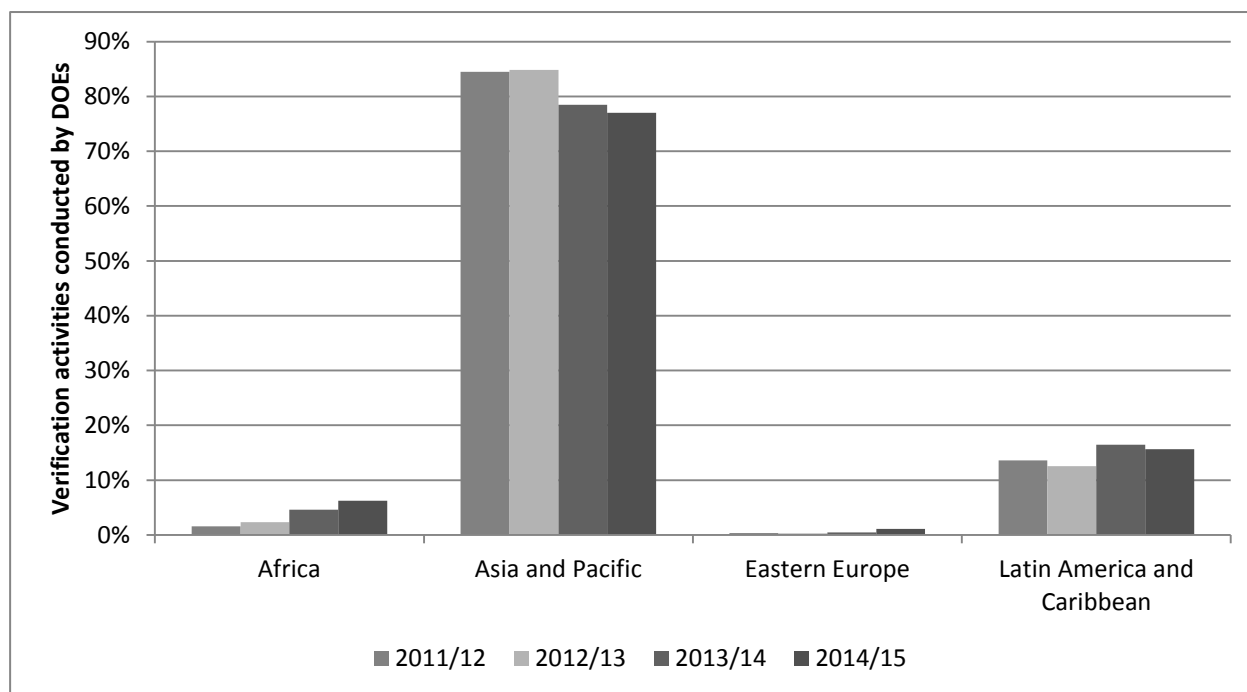
**Table 4. Validations per region**

Region	Validation			Verification		
	No. of DOEs	PA	PoA	No. of DOEs	PA	PoA
Africa	(19, 19, 15) <b>10</b>	8	17	(8, 8, 12, 11) <b>9</b>	25	7
Asia and the Pacific	(33, 35, 35) <b>20</b>	84	7	(31, 32, 34) <b>34</b>	411	8
Eastern Europe	(10, 10, 12) <b>1</b>	1	0	(4, 4, 3) <b>2</b>	6	0
Latin America and the Caribbean	(16, 18, 21) <b>12</b>	22	2	(14, 17, 15) <b>14</b>	84	1

**Figure 6. Validation project activities worked on during the reporting period (%)**





**Figure 7. Verification project activities worked on during the reporting period (%)**

#### 4.4.3. Sectoral scope distribution of project activities

32. The distribution of work per sectoral scope was taken from the CDM Information System, as shown in table 5 below.

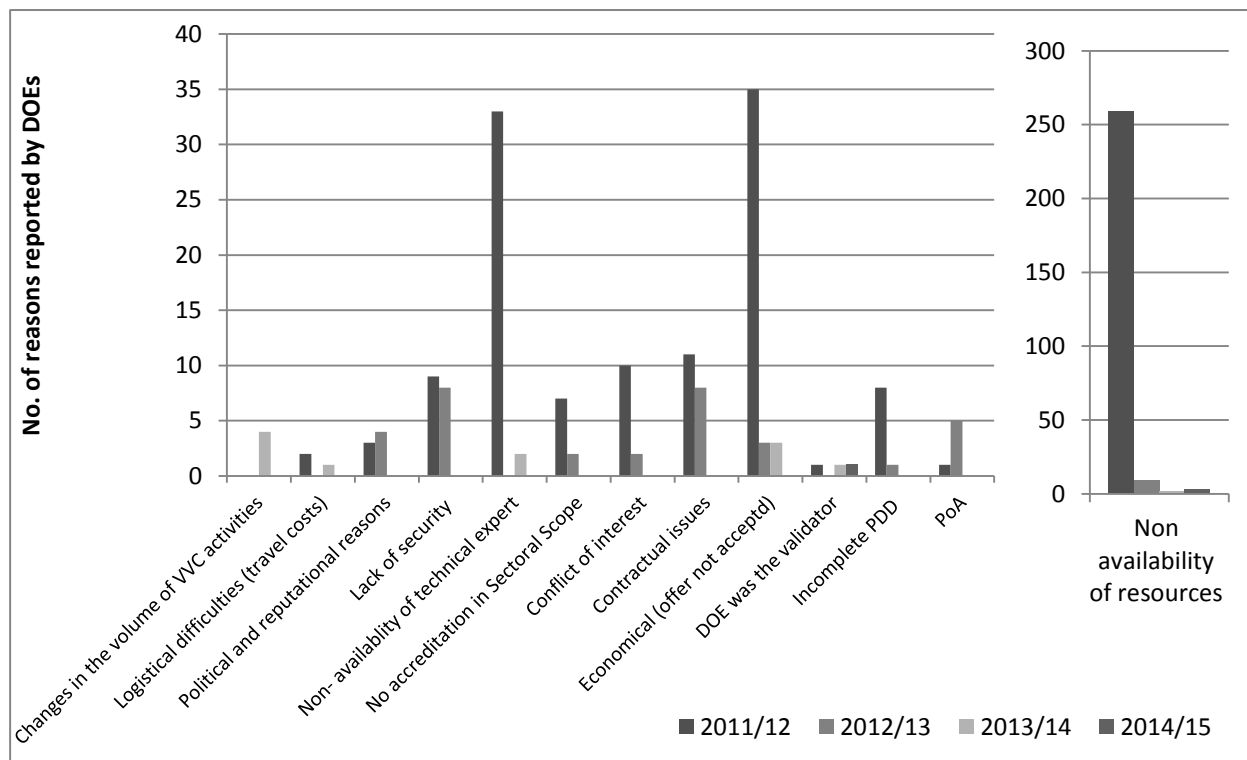
**Table 5. Number of validation and verification project activities per sectoral scope**

Sectoral scope	No. of validation activities	No. of active DOEs (validation)	No. of verification activities	No. of active DOEs (verification)
1	(3 797, 3 695, 955) <b>105</b>	(36, 37, 36) <b>24</b>	(1884, 2650, 918) <b>405</b>	(33, 34, 37) <b>35</b>
2	(10, 68, 6) <b>1</b>	(4, 5, 5) <b>1</b>	(7, 14, 2) <b>0</b>	(1, 3, 2) <b>0</b>
3	(160, 199, 71) <b>20</b>	(16, 17, 15) <b>7</b>	(20, 23, 37) <b>22</b>	(7, 9, 10) <b>9</b>
4	(403, 248, 118) <b>12</b>	(24, 22, 16) <b>8</b>	(162, 160, 58) <b>18</b>	(18, 18, 17) <b>11</b>
5	(39, 46, 12) <b>1</b>	(8, 11, 4) <b>1</b>	(154, 140, 35) <b>16</b>	(7, 9, 16) <b>5</b>
6	(0, 0, 1) <b>0</b>	(0, 0, 1) <b>0</b>	<b>0</b>	<b>0</b>
7	(38, 21, 8) <b>2</b>	(10, 8, 6) <b>2</b>	(8, 13, 3) <b>4</b>	(4, 5, 3) <b>4</b>
8	(45, 63, 14) <b>0</b>	(10, 11, 5) <b>0</b>	(44, 60, 28) <b>15</b>	(6, 8, 8) <b>3</b>
9	(3, 5, 1) <b>0</b>	(3, 3, 1) <b>0</b>	(3, 6, 0) <b>2</b>	(3, 4, 0) <b>2</b>
10	(48, 45, 17) <b>1</b>	(9, 13, 7) <b>1</b>	(44, 32, 43) <b>28</b>	(9, 8, 8) <b>6</b>
11	(1, 2, 1) <b>0</b>	(1, 2, 1) <b>0</b>	(129, 132, 28) <b>5</b>	(5, 5, 4) <b>2</b>
12	<b>0</b>	<b>0</b>	(2, 0, 1) <b>0</b>	(1, 0, 1) <b>0</b>
13	(438, 481, 128) <b>9</b>	(29, 28, 23) <b>6</b>	(319, 362, 178) <b>88</b>	(24, 27, 25) <b>21</b>
14	(30, 24, 5) <b>0</b>	(11, 10, 3) <b>0</b>	(17, 16, 6) <b>1</b>	(4, 6, 2) <b>1</b>
15	(86, 67, 24) <b>0</b>	(7, 9, 7) <b>0</b>	(15, 68, 21) <b>18</b>	(3, 9, 7) <b>7</b>

Sectoral scope	No. of validation activities	No. of active DOEs (validation)	No. of verification activities	No. of active DOEs (verification)
16	0	0	0	0

#### 4.4.4. List of project activities declined, if any, including the reasons for doing so

33. A DOE may decline validation and verification work for a number of reasons. The DOEs submitted information on the number of assignments for which they declined to perform validation or verification/certification in the reporting period:
- (a) Eleven per cent of the DOEs (4) reported that they had declined projects (37% and 15, 29% and 13, 22% and 10);
  - (b) Total number of assignments reported as declined for all DOEs: (386, 42, >19) >4 (two DOEs that are shutting down their business were not specific about the number of projects declined);
  - (c) The number of different countries in which assignments were declined: (53, 21, 13) >4;
  - (d) The top two countries in terms of the number of assignments declined by entities were India (>1) and Brazil (2).
    - (i) 2013–2014, China (6), Cambodia (2);
    - (ii) 2012–2013, India (5), Brazil (5), Iran (4) and China (3);
    - (iii) 2011–2012, China (155), India (79), Brazil (30) and South Africa (10).
34. A range of reasons for declining the projects was reported, which have been collated into the categories as show in figure 8.

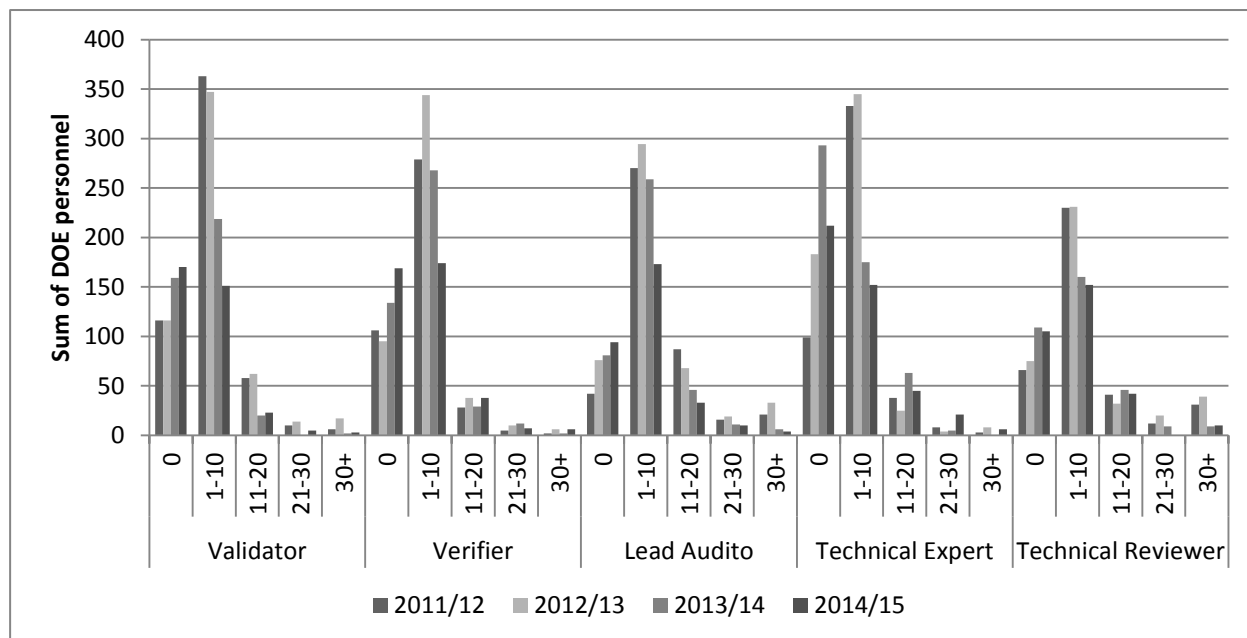
**Figure 8. Comparison of reasons for declining projects**

#### 4.4.5. Project activities and PoAs registered or issued in countries with fewer than 10 registered project activities and PoAs

35. Thirty-six per cent of the DOEs (14) registered or successfully verified project activities or PoAs in countries with fewer than 10 registered projects/programmes (as of 1 January 2015) (61% and 25, 56% and 24, 44% and 20).

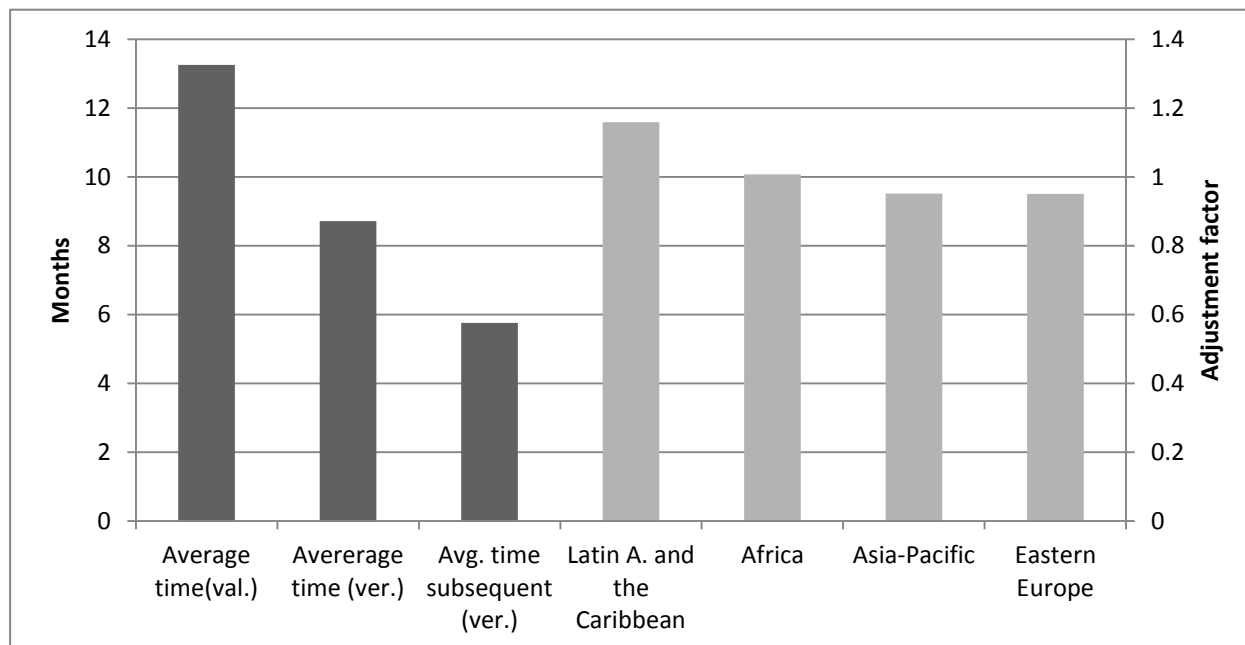
#### 4.4.6. Number of project activities under validation or verification/certification per qualified auditor

36. Figure 9 below shows how many cases individuals worked on during the reporting period. The data was reported by DOEs per validator, verifier, lead auditor, technical expert and technical reviewer.

**Figure 9. Comparison of workload per auditor type**

#### 4.4.7. Time frames for conducting validation and verification/certification

37. All DOEs submitted information regarding their average time frames for conducting validations, verifications and subsequent verifications. Figure 10 shows the average time frames reported by the DOEs. The time frame is considered as the time from signing the contract until the validation or verification is submitted to the Board. In addition, the DOEs provided time adjustment factors indicating the impact on time frames from working in different regions. Time adjustment of more than 1 indicates that working in that region took longer than the average, conversely a time adjustment factor of less than 1 indicates that it took less time than the average. Similar information is also presented in tabular format in table 6 and table 7 below.

**Figure 10. Average time frames for validation, verification and subsequent verification****Table 6. The minimum and maximum (average) time frames for a validation per region (months)**

Region	Shortest reported time frame (days)	Longest reported time frame (days)
Africa	(3.5, 12.2, 7.5) <b>3.9</b>	(39.8, 27.4, 19.5) <b>16.9</b>
Asia and the Pacific	(1.2, 9.3, 6.2) <b>3.9</b>	(56.4, 17.4, 18.5) <b>18.2</b>
Eastern Europe	(4.2, 14.9, 11.7) <b>5.2</b>	(43.4, 52.8, 25.5) <b>15.6</b>
Latin America and the Caribbean	(2.4, 11.3, 7.9) <b>9.1</b>	(43.4, 20, 19) <b>27.3</b>

**Table 7. The minimum and maximum (average) time frames for an (initial) verification per region (months)**

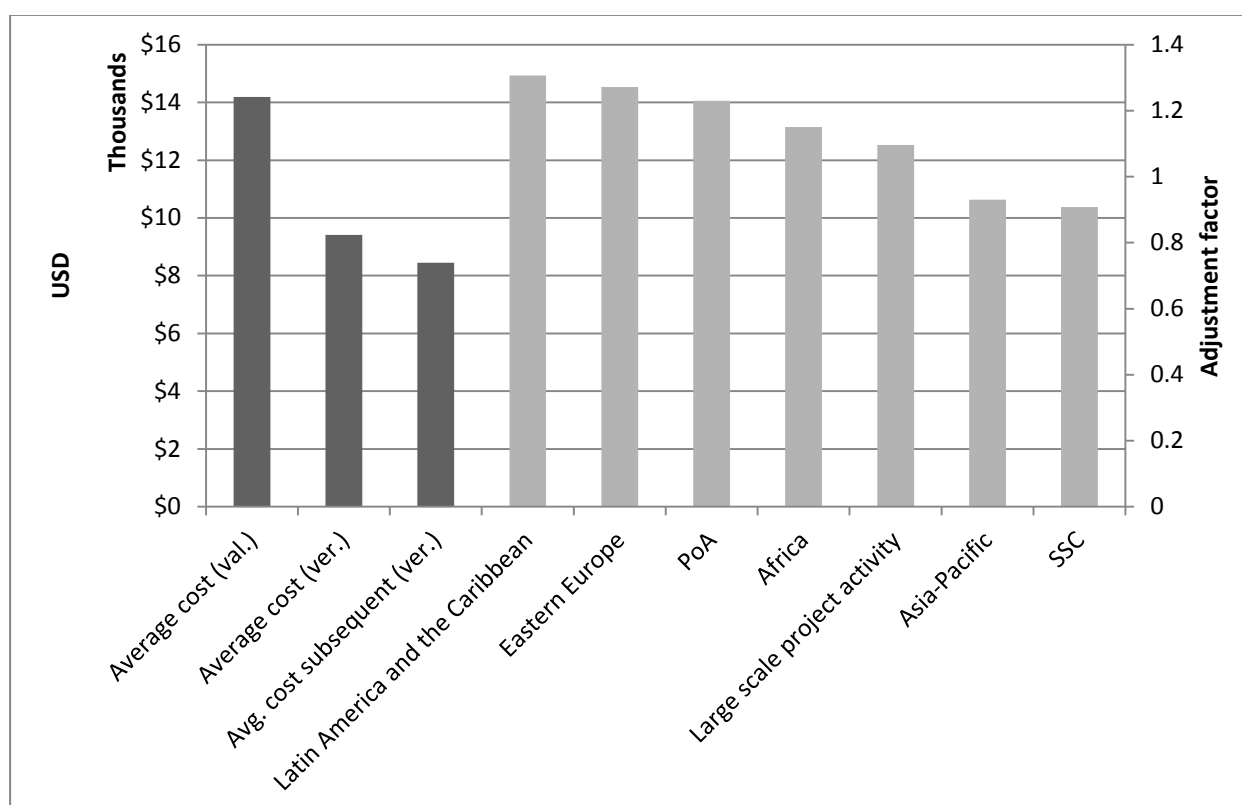
Region	Shortest reported time frame (days)	Longest reported time frame (days)
Africa	(1.9, 10, 4.2) <b>2.7</b>	(28.1, 15.9, 10.1) <b>11.7</b>
Asia and the Pacific	(0.7, 5.9, 2.7) <b>2.7</b>	(39.6, 15.8, 15.1) <b>12.6</b>
Eastern Europe	(2.6, 3.6, 6.1) <b>3.6</b>	(17, 7.4, 35.6) <b>10.8</b>
Latin America and the Caribbean	(0.6, 10, 4.5) <b>6.3</b>	(35.1, 16.7, 17.8) <b>18.9</b>

#### 4.4.8. Average fees for the validation and verification/certification of CDM project activities divided by region

38. The DOEs submitted information regarding the average fees (in United States dollars) for conducting validations, verifications and subsequent verifications. Figure 11 shows the average fees reported by the DOEs. In addition, the DOEs provided price adjustment factors indicating the impact on fees from working in different regions and with different

project types. Price adjustment of more than 1 indicates that working in that region or with that project type was more costly than average, conversely a price adjustment of less than 1 indicates that it was less costly than the average.

**Figure 11. Average fees per region (in United States dollars)**



39. The highest and lowest fees per region reported by a DOE for a validation and verification during the reporting period are shown in table 8 and table 9:

**Table 8. Minimum and maximum fees for a validation (in United States dollars)**

Region	Minimum reported fee	Maximum reported fee
Africa	(10 800, 7 324, 4 500) <b>2 000</b>	(101 300, 110 219, 115 248) <b>42 000</b>
Asia and the Pacific	(5 785, 2 936, 1700) <b>990</b>	(147 000, 147 000, 116 375) <b>39 200</b>
Eastern Europe	(13 000, 13 500, 12 967) <b>4 875</b>	(75 459, 90 285, 102 683) <b>39 200</b>
Latin America and the Caribbean	(6 800, 5 000, 1 667) <b>1 320</b>	(96 700, 119 900, 100 974) <b>52 500</b>

**Table 9. Minimum and maximum fees for a verification (in United States dollars)**

Region	Minimum reported fee	Maximum reported fee
Africa	(9 100, 6 000, 4 500) <b>1 824</b>	(54 000, 70 000, 70 000) <b>26 000</b>
Asia and the Pacific	(3 067, 1 350, 1 300) <b>810</b>	(54 067, 73 519, 279 166) <b>24 000</b>
Eastern Europe	(14 819, 16 295, 10 400) <b>5 000</b>	(45 000, 45 000, 36 160) <b>18 000</b>

Region	Minimum reported fee	Maximum reported fee
Latin America and the Caribbean	(4 850, 5 105, 4 000) <b>1 080</b>	(78 057, 62 314, 47 645) <b>24 000</b>

## 4.5. Impartiality

### 4.5.1. Report of the impartiality committee

40. The DOEs submitted their annual reports of activities of the impartiality committee as per paragraph 37(g) of the CDM accreditation standard.

### 4.5.2. Other impartiality issues

41. The DOEs were requested to submit any further relevant comments with regard to impartiality issues experienced during the reporting period. No relevant additional comments were received on impartiality.

## 4.6. Interactions with interested parties<sup>8</sup>

### 4.6.1. Interactions with the Board

42. The DOEs submitted information regarding significant interactions that had taken place with the Board during the reporting period.
43. Sixteen (23, 21, 24) DOEs reported interactions with the Board and these were conducted through the following channels:
- (a) Accreditation assessments;
  - (b) Board meetings (through the DOE forum);
  - (c) DOE teleconferences (after Board meetings);
  - (d) Requests related to the project cycle (registration, issuance, post-registration changes, authorization for verification, etc.);
  - (e) Participation in the Conference of the Parties (COP) and Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP);

### 4.6.2. Interactions with other designated operational entities and/or applicant entities

44. The DOEs submitted information regarding interactions that had taken place with other interested parties during the reporting period.
45. Fifteen (24, 28, 23) DOEs reported significant interactions with other DOEs and/or applicant entities and these were conducted through the following channels:
- (a) DOE/AIE Coordination Forum;
  - (b) DOE forum meeting;
  - (c) Ad hoc meetings and interactions with other DOEs;

<sup>8</sup> The level of detail as reported for this section varied across the DOEs.

- (d) Designated Operational Entities and Independent Entities Association including regular conference calls;
- (e) Greenhouse Gas Assurance Association of Japan;
- (f) Board conference calls;
- (g) Participation in the COP/CMP.

#### **4.6.3. Interactions with other interested parties**

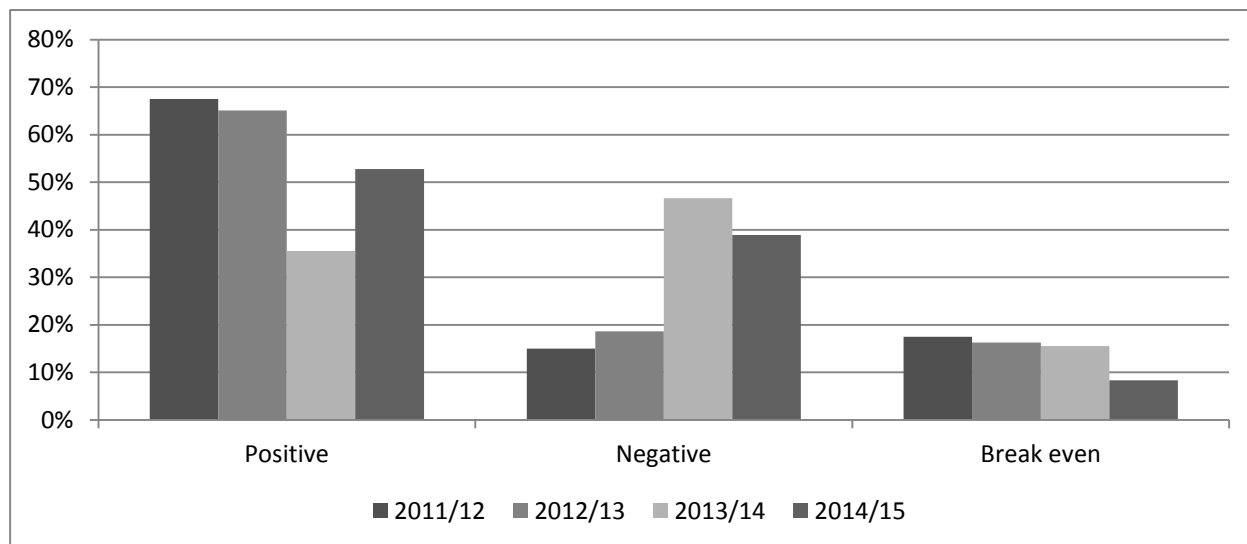
- 46. All the DOEs submitted information regarding significant interactions that had taken place with other interested parties during the reporting period.
- 47. Eleven (22, 28, 19) DOEs reported interactions with other interested parties during the reporting period and these were conducted through the following channels:
  - (a) The Gold Standard;
  - (b) CarbonExpo (various locations);
  - (c) Attendance at CDM stakeholder workshops;
  - (d) Interaction with non-governmental organizations;
  - (e) Seeking Energy Management System accreditation;
  - (f) International Emissions Trading Association;
  - (g) The World Business Council for Sustainable Development;
  - (h) China National Accreditation Service for Conformity Assessment;
  - (i) Thailand Greenhouse Gas Management Organization;
  - (j) Ministry of Natural Resources and Environment (Thailand);
  - (k) Impartiality committees (composed of external experts);
  - (l) Commercial discussions with potential clients and project participants.

#### **4.7. Financial statement**

##### **4.7.1. Annual income and expenditure on CDM-related activities**

- 48. All the DOEs submitted information on annual income and expenditure relating to CDM activities (validation and verification) in United States dollars.
- 49. Figure 12 shows the balance of income and expenditure for the last four reporting periods.



**Figure 12. Income and expenditure trend**

50. During the reporting period:

- (a) Nineteen DOEs reported a higher income than expenditure;
- (b) Fourteen DOEs reported a lower income than expenditure;
- (c) Three DOEs reported equal income and expenditure.

#### 4.8. Challenges and lessons learned

51. Thirty-four DOEs submitted further comments with regard to challenges and lessons learned during the reporting period. The wide range of responses have been grouped into five key areas as presented below:

- (a) Most of the DOEs reported challenges related to the low price of certified emission reductions and the consequent decrease in the volume of validation and verification work. The DOEs reported that this has been a driver for voluntarily withdrawing from sectoral scopes and slimming down their operations;
- (b) Version 6 of the CDM accreditation standard became fully effective on 1 January 2015. DOEs reported that while the transition to version 6 has provided an opportunity to improve their operations (qualification, implementing new systems) the transition has also brought unwelcome additional costs;
- (c) Many DOEs reported intense pressure on the prices for DOE services;
- (d) Given the low volume of projects, the DOEs are finding it difficult to train personnel;
- (e) Experience with CDM methodologies has provided opportunities for monitoring, reporting, and verification in related fields such as nationally appropriate mitigation actions and other carbon offset systems.

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### Document information

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