

CDM-EB70-AA-A05

Synthesis report of the annual activity reports submitted by the designated operational entities 2011–2012

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 (M&P) of the clean development mechanism (CDM) and paragraph 100 of the “CDM accreditation standard for operational entities” version 4.0 (the CDM accreditation standard), designated operational entities (DOEs) shall submit an annual CDM activity report to the Executive Board of the CDM (the Board). Every year the secretariat produces synthesis report of the annual activity reports submitted by the DOEs.

2. Purpose

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

3. Key issues and proposed solutions

3. The present document is the synthesis report, prepared by the secretariat, of the annual activity reports submitted by DOEs in 2012, in accordance with the requirements of Annex C of the CDM accreditation standard, covering the period from 1 July 2011 to 30 June 2012.

4. Impacts

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

5. Proposed work and timelines

5. The work on this report is to be complete following its consideration at this Board meeting.

6. Recommendations to the Board

6. The secretariat recommends that the Board takes note of the attached information note.

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1. Introduction

1.1. Background

7. In accordance with paragraph 27 (g) of the modalities and procedures of the clean development mechanism (CDM M&P) and paragraph 100 of the “CDM accreditation standard for operational entities” version 4.0 (the CDM accreditation standard), designated operational entities (DOEs) shall submit an annual CDM activity report to the Executive Board of the Clean Development Mechanism (the Board).

2. Scope

2.1. Scope

8. The present document is the synthesis report of the annual activity reports submitted by DOEs (the report) in 2012 in accordance with the requirements of Annex C of the CDM accreditation standard.

3. Synthesis Report

3.1. Introduction

3.1.1. Period covered by the report

9. This report covers the period of 1 July 2011 to 30 June 2012. In addition there is data from the previous reporting period covering 1 July 2011 to 30 June 2012 for comparison purposes.

3.1.2. Purpose of the report

10. The deadline for submission of the reports was 30 September 2012 and of the 41 eligible DOEs 40 submitted signed copies of the report in conjunction with the relevant supporting documentation (Impartiality Committee Report and a list of all CDM project activities) prior to the deadline of 30 September 2012.
11. The data is submitted by each eligible DOE through the F-CDM-AAR form and is therefore a self-declaration. This data is the complied by the secretariat in order to produce the synthesized data as contained within this report.

3.2. Accreditation Status

3.2.1. Scope(s) accredited for and date of accreditation

12. The 40 DOEs reported the scopes for which they were accredited and country of location. The submitted data is presented in a short summary and Table 1 below:

(a) Average number of sectoral scopes a DOE is accredited for: eight (10);¹

¹ For comparative purposes throughout the report where possible within the text the data from the 2010–2011 reporting period is stated in italic text.

- (b) Number of DOEs accredited in all 15 sectoral scopes: 10 (12);
- (c) Occurrence of suspension during the reporting period: one (1).

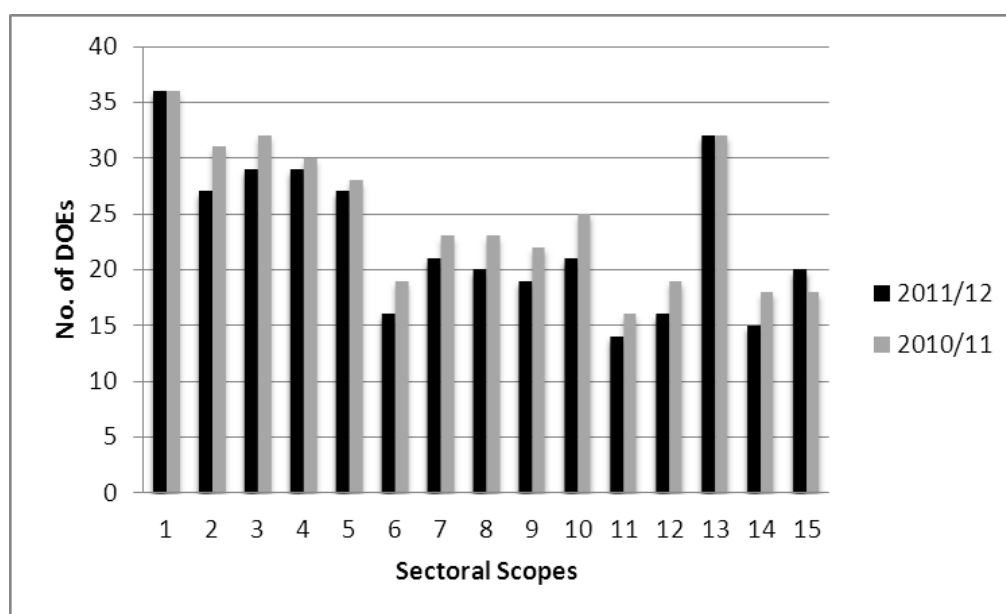
Table 1. Accreditation status of DOEs

Ref.	Entity	Country	Sectoral scope for validation/ verification
E-0001	Japan Quality Assurance Organisation (JQA)	Japan	1,3-5,11, 13, 14
E-0002	JACO CDM., LTD (JACO)	Japan	1-4, 13, 14
E-0003	DNV Climate Change Services AS (DNV)	Norway	1-15
E-0005	TÜV SÜD Industrie Service GmbH (TÜV SÜD)	Germany	1-15
E-0006	Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd. (Deloitte-TECO)	Japan	1-10, 12, 13, 15
E-0007	Japan Consulting Institute (JCI)	Japan	1, 2, 4, 5, 9, 10, 13
E-0009	Bureau Veritas Certification Holding SAS (BVCH)	France	1-15
E-0010	SGS United Kingdom Limited (SGS)	UK	1-13, 15
E-0011	Korea Energy Management Corporation (KEMCO)	Korea	1-15
E-0013	TÜV Rheinland Japan Ltd. (TÜV Rheinland)	China	1-15
E-0016	ERM Certification and Verification Services Ltd. (ERM CVS)	UK	1-5, 8-10, 13
E-0020	Conestoga Rovers & Associates Ltd (CRA)	Canada	1, 4, 5, 10, 12, 13
E-0021	Spanish Association for Standardisation and Certification (AENOR)	Spain	1-15
E-0022	TÜV NORD CERT GmbH (TÜV Nord)	Germany	1-15
E-0023	Lloyd's Register Quality Assurance Ltd. (LRQA)	UK	1-13
E-0024	Colombian Institute for Technical Standards and Certification (ICONTEC)	Colombia	1-5, 7, 8, 13-15
E-0025	Korean Foundation for Quality (KFQ)	Korea	1-5, 11, 13
E-0027	Swiss Association for Quality and Management Systems (SQS)	Switzerland	1-15
E-0028	Ernst & Young Shin Nihon (E&YSNSI)	Japan	1-3

Ref.	Entity	Country	Sectoral scope for validation/ verification
E-0030	Nippon Kaiji Kentei Quality Assurance Ltd. (NKKKQA)	Japan	1, 3-5, 7, 12, 13
E-0031	Perry Johnson Registrars Carbon Emissions Services (PJRCES)	USA	1-3, 7, 9, 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	1-8,10,11,13-15
E-0038	SIRIM QAS INTERNATIONAL SDN.BHD (SIRIM)	Malaysia	1-4,7, 10, 13, 15
E-0039	Korean Standards Association (KSA)	Korea	1-5, 13
E-0040	Korea Environment Corporation (KECO)	Korea	1-7, 13-15
E-0041	Japan Management Association (JMA)	Japan	1-4, 6, 8, 9, 14
E-0042	Germanischer Lloyd Certification GmbH (GLC)	Germany	1-3, 7,8, 10, 13, 15
E-0044	China Quality Certification Center (CQC)	China	1-15
E-0045	Ernst & Young Associés (France) (EYG)	France	14
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-0049	Indian Council of Forestry Research and Education (I.C.F.R.E)	India	14
E-0050	Hong Kong Quality Assurance Agency (HKQAA)	China	1
E-0051	KBS Certification Services Pvt. Ltd (KBS)	India	1, 3-5, 7, 12, 13, 15
E-0052	Carbon Check (Pty) Ltd (Carbon Check)	South Africa	1-5, 8-10, 13
E-0054	Re-consult Ltd. (Re-consult)	Turkey	1
E-0055	URS Verification Private Limited (URS)	India	1, 13
E-0056	Korea Testing & Research Institute (KTR)	Korea	1, 4, 5, 11, 13
E-0058	Foundation for Industrial Development (MASCI)	Thailand	1, 3, 4, 13, 15

13. There are at least 14 accredited DOEs for each sectoral scope, with the highest number being accredited in sectoral scope 1 (36) and the lowest in sectoral scope 11 (14) as shown in Figure 1 below.

Figure 1. Number of DOEs accredited per sectoral scope



3.2.2. Sectoral scope(s) applied for and status of application

14. The DOEs reported on the sectoral scopes for which they had applied for accreditation during the period:
- (a) Number of DOEs maintaining the sectoral scopes for which they are accredited: 33 (28)
 - (b) Number of DOEs reducing the sectoral scopes for which they are accredited: three (2);
 - (c) Number of DOEs increasing the sectoral scopes for which they are accredited: four (8).

3.3. Organization

3.3.1. Major changes in organizational structure and personnel

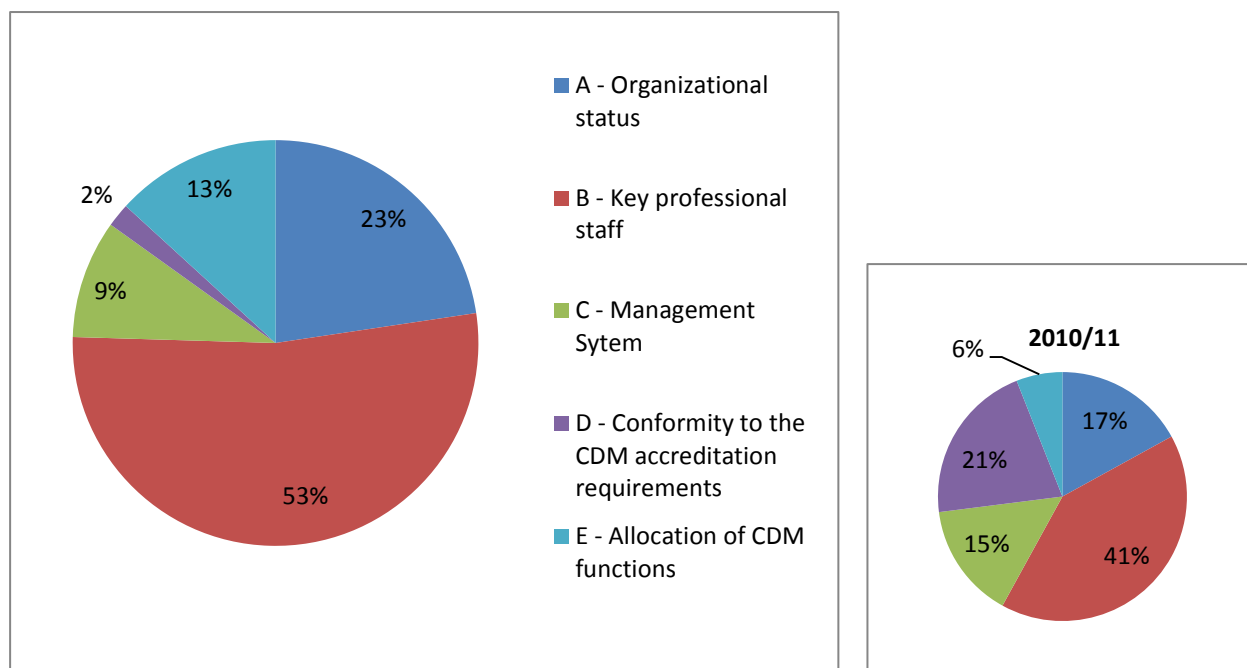
15. In accordance with the paragraph 148 of the “Procedure for accrediting operational entities by the Executive Board of the clean development mechanism (version 10.1)” (the CDM accreditation procedure) a DOE shall inform the secretariat of any planned significant change.

16. The DOEs reported on any major changes that had taken place within the reporting period:
- (a) 63 per cent of DOEs (26) reported major changes in organizational structure and personnel (*61 per cent, 23*);
 - (b) 68 per cent of all changes (36) were reported to the CDM-AP (*92 per cent, 50*);
 - (c) Total number of changes reported in the period: 53 (*52*);
 - (d) Average number of reported changes per DOE: one (*1*);
 - (e) Highest number of reported changes for a DOE: nine (*5*).
17. The changes were reported as per the types classified within 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 2011/12

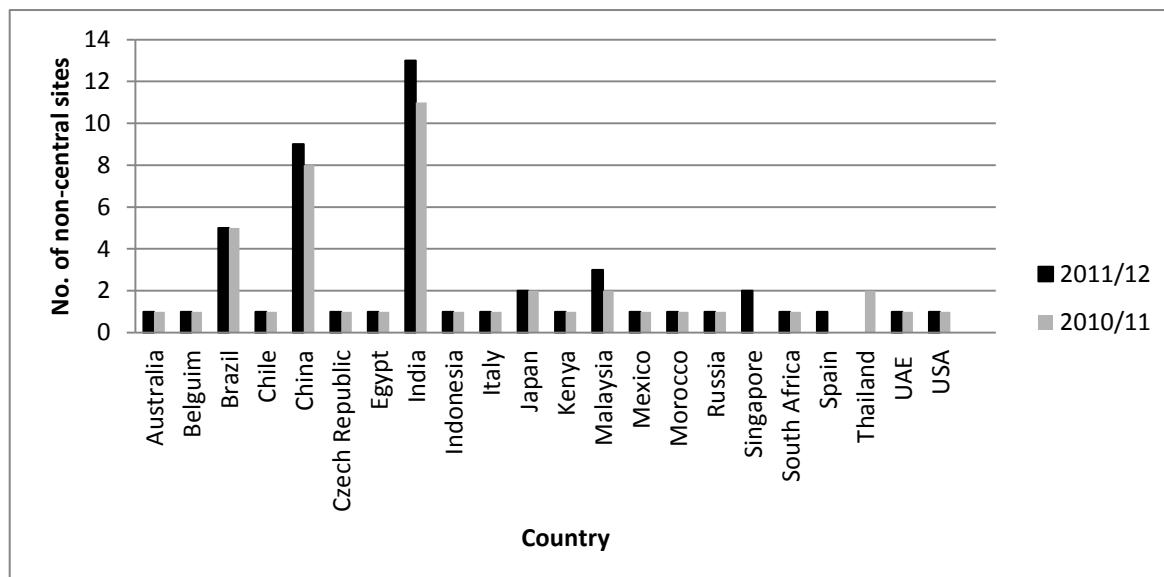
Type of change	Description of change	No. of changes
A	Legal, commercial or organizational status, e.g ownership, partnership	12 (<i>7</i>) ^(a)
B	Key professional staff	28 (<i>12</i>)
C	Management System	5 (<i>4</i>)
D	Conformity to the CDM accreditation requirements	1 (<i>9</i>)
E	Allocation of CDM functions to non-central sites	7(<i>2</i>)

^(a) The text in *Italics* is the figures from the previous reporting period 2010–2011.

Figure 2. Reported changes in organizational structure and personnel per type (%)

3.3.2. List of sites, other than the DOEs central office, having carried out validation and/or verification/certification work

18. In accordance with paragraphs 28 to 30 of the CDM accreditation standard DOEs may allocate functions to sites other than its central office.
19. The DOEs reported on the allocation of function to non-central sites that had taken place within the reporting period:
 - (a) 23 per cent of DOEs (9) reported having non-central sites (21 per cent, 8);
 - (b) Average number of declared non-central sites: five (6);
 - (c) Highest number of non-central for a DOE: 13 (15).
20. Figure 3 below shows the countries in which the non-central sites are located, the highest represented countries being India (13), China (8) and Brazil (5). The top three were the same as reported in 2010–2011 – India (11), China (8) and Brazil (5).

Figure 3. Location of DOE non-central sites

3.3.3. Use of external personnel

21. In accordance with paragraphs 65 to 67 of the CDM accreditation standard DOEs may make use of external validators, verifiers and technical experts.
22. The DOEs reported on the use of external personnel that had taken place within the reporting period:
 - (a) 88 per cent of DOEs (35) reported utilizing external personnel (*80 per cent, 30*);
 - (b) Average number of external personnel utilized per entity: 17 (*14*);
 - (c) Highest number of external personnel utilized by a DOE: 70 (*75*).

3.3.4. Use of subcontractors

23. In accordance with paragraphs 70 to 73 of the CDM accreditation standard DOEs may subcontract another legal entity to provide specific technical expertise.
24. The DOEs reported on the use of subcontractors that had taken place within the reporting period:
 - (a) Five per cent of DOEs (2) reported utilizing subcontractors (*11 per cent, 4*);
 - (b) Total number of legal entities subcontracted: four (*5*);
 - (c) Location of the 4 legal entities: China, India and Japan.

3.3.5. Management systems

3.3.6. Internal audit(s) carried out

25. All but one of the 40 DOEs carried out internal audits at an average of two per entity over the reporting period, the highest reported by one entity was 10. In 2010–2011 the

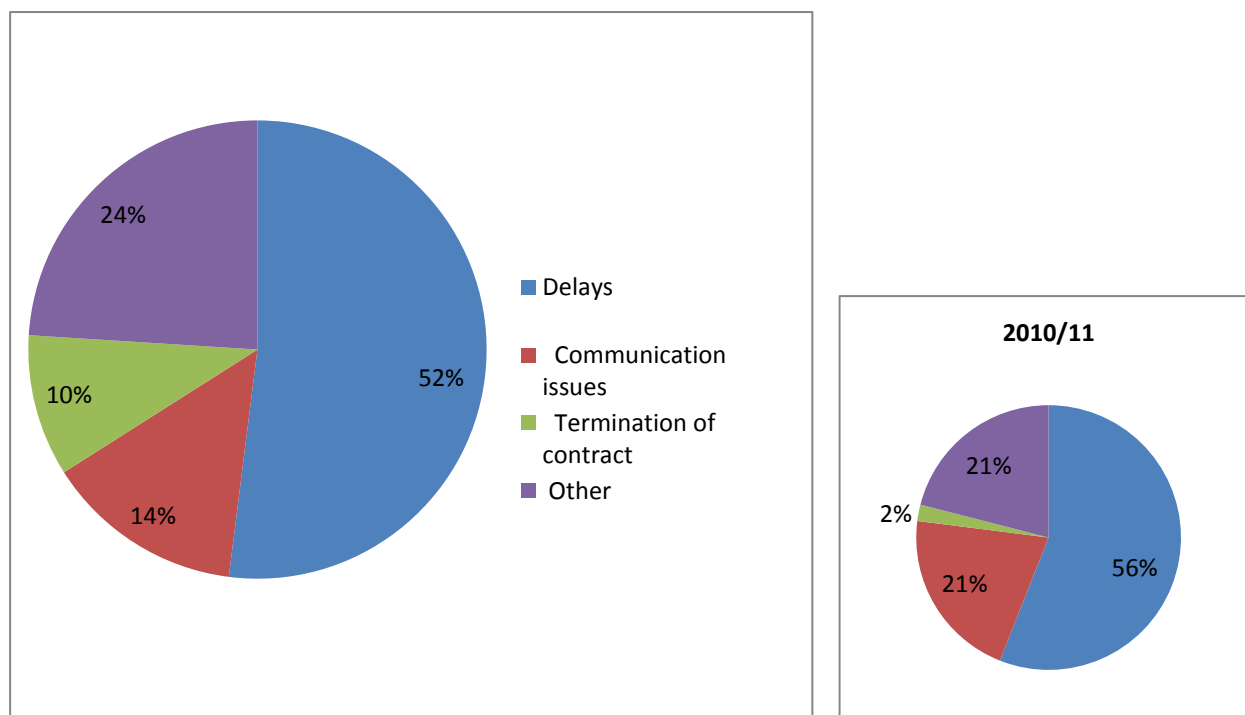
figures were that all 38 DOEs carried out internal audits at an average of two per entity over the reporting period, the highest reported by one entity was 11.

3.3.7. Management review(s) carried out

26. All but two of the 40 DOEs carried out management reviews at an average of one per entity over the reporting period, the highest reported by one entity was three. In 2010–2011 the figures were that all 38 DOEs carried out management reviews at an average of one per entity over the reporting period, the highest reported by one entity was three.

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

27. Section X of the CDM accreditation standard relates to the handling of complaints, disputes and appeals as received by the DOE.
28. The DOEs reported on the complaints, disputes and appeals that had been received during the reporting period:
- (a) 30 per cent of DOEs (12) reported receiving complaints, disputes or appeals (*29 per cent, 11*);
 - (b) 92 per cent of reported complaints and appeals were from project participants (PP), with four coming from stakeholders (*96 per cent, 2*);
 - (c) Total number of complaints, disputes and appeals received: 52 (45 complaints, four disputes and three appeals), (*44 complaints & two appeals*);
 - (d) Highest number of complaints, disputes and appeals for a DOE: 13 (12 complaints, one dispute), (*14, 13 complaints, one appeal*).
29. Figure 4 below shows the complaints per the following classification types - delays, communication issues, termination of contract and other. For the complaints reported as “other” the following reasons were given - re-opening of previous findings, consultants non-acceptance of CARs, additional information was sufficient, disagreement with decision of reviewer and breach of confidentiality.

Figure 4. Reported complaints per type (%)**3.3.9. CDM-related training undertaken**

30. All the DOEs reported conducting CDM-related training:²
- (a) Average number of training sessions per DOE: nine (10);
 - (b) Average duration of training session: 10 hours (11 hours);
 - (c) Average number of participants per session: 12 (10);
 - (d) Highest number of training sessions for a DOE: 38 (43).
31. Of the 381 CDM-related trainings, 293 were internal and 78 were conducted by external providers, representing 20 per cent. The same figures for the 2010–2011 reporting period were 377 CDM-related trainings, 287 were internal and 90 were conducted by external providers, representing 24 per cent.
32. There were over 40 providers (80) some of which are highlighted below:
- (a) Business Institutes for Sustainable development;
 - (b) GHG Management Institute;
 - (c) Greenhouse Gas Assurance Association of Japan (GAJ);
 - (d) Institute for Global Environmental Strategies (IGES);

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

- (e) National Institutes and Ministries;
- (f) Other DOEs;
- (g) The Gold Standard;
- (h) The World Bank;
- (i) The United Nations Framework Convention for Climate Change (UNFCCC);
- (j) University professors;
- (k) The Verified Carbon Standard (VCS);
- (l) World Resources Institute.

3.4. Activities relating to the consideration of project activities

3.4.1. List of project activities

33. The DOEs submitted an excel spreadsheet containing a list of all CDM project activities the DOE worked on (validation and/or verification/certification)³ during the reporting period.

3.4.2. Status of project activities

34. 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 are responsible for 70 per cent of the validation projects initiated during the period. In 2010–2011 ten DOEs were responsible for 82 per cent;
 - (b) Ten DOEs are responsible for 83 per cent of the verification projects initiated during the period. In 2010–2011 ten DOEs were responsible for 89 per cent.

Table 3. Status of project activities

Validation Status	No. of Validation Activities	No. of Verification Activities
Initiated during this reporting period ⁴	2716 (1538) ^(a)	1735 (1403)
Contract terminated during this reporting period	244 (231)	29 (31)
Withdrawn during this reporting period	28 (15)	21 (11)
Registered (validation) / CERs issued (verification) during this reporting period	1081 (1087)	1370 (985)
Rejected during this reporting period	23 (34)	13 (13)

³ For the purpose of this report, a verification project activity is considered to be the verification of an individual monitoring report.

⁴ 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 on going as of final date of the reporting period (not yet submitted for registration/request for issuance)	3564 (2716)	1364 (1168)
Validation/verification on going as of final date of the reporting period (already submitted for registration/request for issuance)	510 (504)	413 (455)

^(a) The text in Italics is the figures from the previous reporting period 2010–2011.

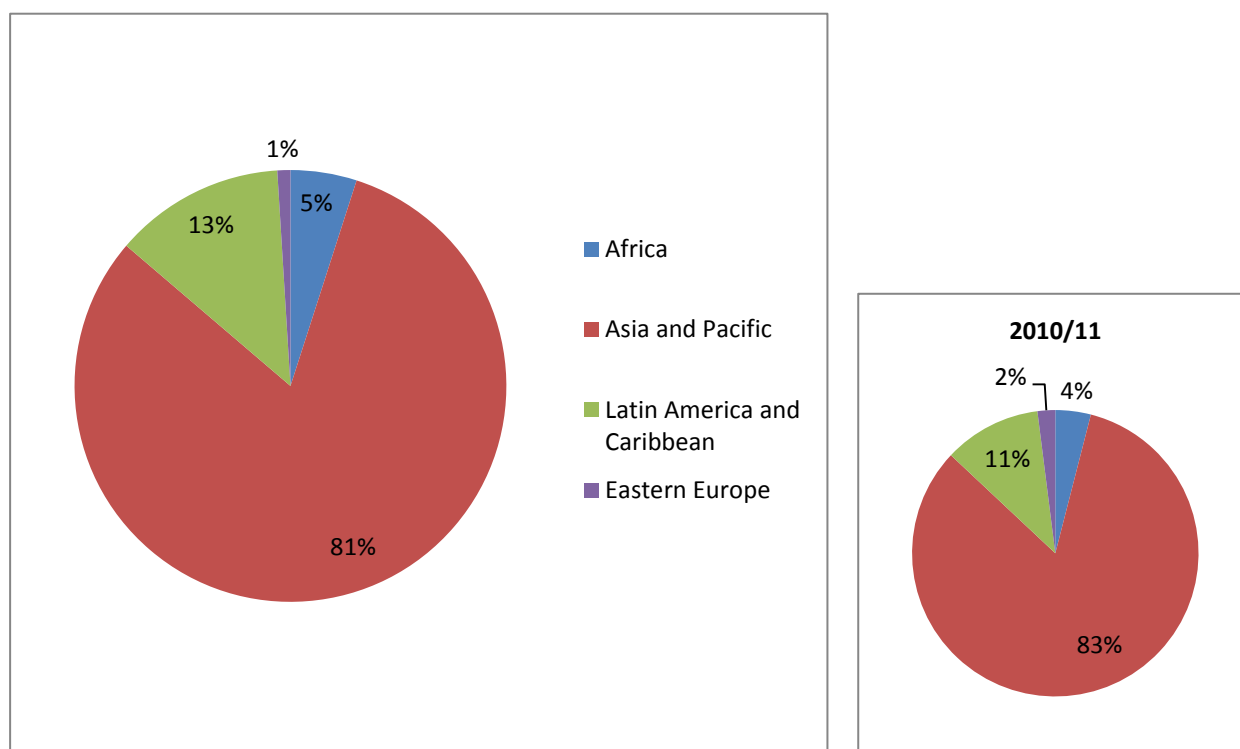
3.4.3. Regional distribution of project activities

35. The entities submitted a list of all the CDM projects that the DOE worked on during the reporting period per region.
36. The data relating to validation projects worked on are shown in Table 4 and Figure 4 below:

Table 4. All CDM Validation project activities worked on during the reporting period 2011/12

Region	Active DOEs	Total number of projects	Average number of projects per DOE
Africa	19 (15) ^(a)	229 (136)	12 (9)
Asia and Pacific	35 (33)	3755 (2907)	107 (88)
Latin America and the Caribbean	18 (16)	593 (392)	33 (25)
Eastern Europe	10 (10)	45 (67)	5 (7)

^(a) The text in Italics is the figures from the previous reporting period 2010–2011.

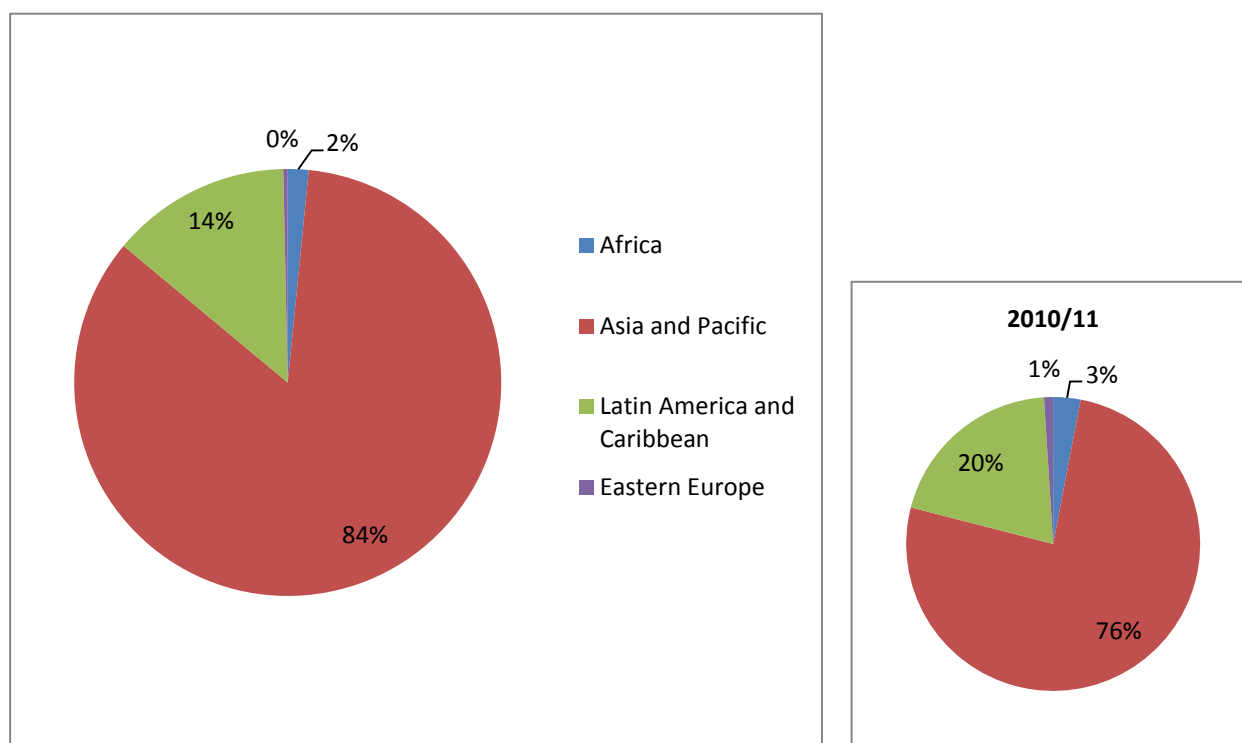
Figure 5. All CDM Validation project activities worked on during the reporting period (%)

37. The data relating to verification projects worked on are shown in Table 5 and Figure 6 below:

Table 5. All CDM Verification project activities worked on during the reporting period 2011/12

Region	Active DOEs	Total number of projects	Average number of projects per DOE
Africa	8 (8) ^(a)	38 (54)	5 (7)
Asia and Pacific	31 (28)	2040 (1600)	66 (57)
Latin America and the Caribbean	14 (13)	329 (406)	24 (31)
Eastern Europe	4 (5)	8 (18)	2 (4)

^(a) The text in *italics* is the figures from the previous reporting period 2010–2011.

Figure 6. All CDM Verification project activities worked on during the reporting period (%)**3.4.4. Sectoral scopes distribution of project activities**

38. The entities submitted a list of all the CDM projects that the DOEs worked on during the reporting period per sectoral scope as shown in Table 6 and Table 7 below:

Table 6. Number of validation project activities per sectoral scope

Sectoral Scope	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
No. of validation activities	3797 (2696) ^(a)	10 (5)	160 (92)	403 (368)	39 (20)	0 (0)	38 (23)	45 (32)	3 (2)	48 (41)	1 (4)	0 (0)	438 (342)	30 (38)	86 (58)
No. of active DOEs	36 (30)	4 (3)	16 (11)	24 (20)	8 (7)	0 (0)	10 (7)	10 (9)	3 (2)	9 (10)	1 (3)	0 (0)	29 (22)	11 (10)	7 (6)
Average no. of projects per DOE	105 (90)	3 (2)	10 (9)	17 (18)	5 (3)	0 (0)	4 (3)	5 (44)	1 (1)	5 (4)	1 (1)	0 (0)	15 (16)	3 (4)	12 (10)

^(a) The text in *Italics* is the figures from the previous reporting period 2010–2011.

Table 7. Number of verification project activities per sectoral scope

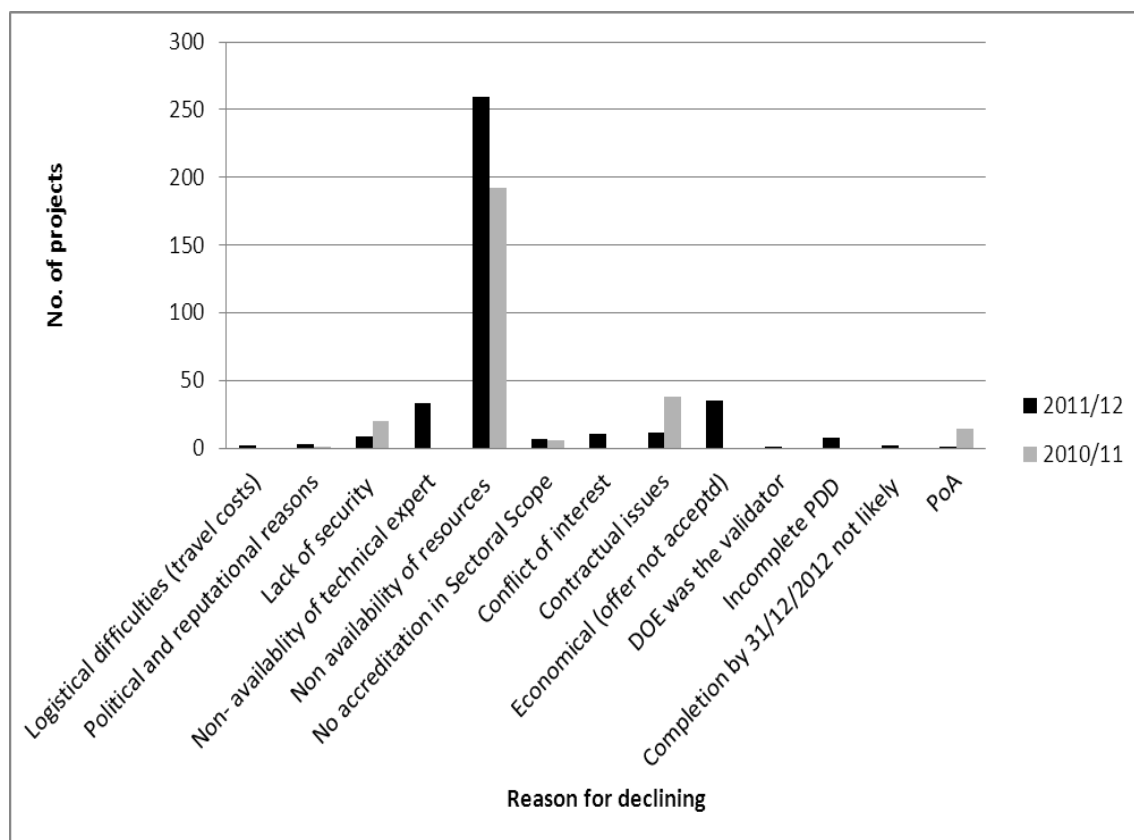
Sectoral Scope	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
No. of verification activities	1884 (1388) ^(a)	7 (4)	20 (16)	162 (141)	154 (138)	0 (0)	8 (3)	44 (23)	3 (6)	44 (42)	129 (111)	2 (0)	319 (299)	17 (4)	15 (57)
No. of active DOEs	33 (29)	1 (1)	7 (6)	18 (14)	7 (7)	0 (0)	4 (2)	6 (6)	3 (4)	9 (9)	5 (5)	1 (0)	24 (20)	4 (2)	3 (6)
Average no. of projects per DOE	57 (48)	7 (4)	3 (3)	9 (10)	22 (20)	0 (0)	2 (2)	7 (4)	1 (2)	5 (5)	26 (22)	2 (0)	13 (15)	4 (2)	5 (10)

^(a) The text in *italics* is the figures from the previous reporting period 2010–2011.

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

39. The entities submitted a list of the CDM project activities for which the DOEs declined to perform validation or verification/certification in the reporting period⁵:
- (a) 37 per cent of the DOEs (15) reported that they had declined projects (*47 per cent, 18*);
 - (b) Number of projects reported as declined: 386 (*302*);
 - (c) Number of countries in which projects were declined: 53 (*37*);
 - (d) Top four countries in terms of number of CDM projects declined by DOEs: China (155), India (79), Brazil (30) and South Africa 10 (*China 154, India 33, Pakistan 9 and Brazil 8*);
40. A range of reasons for declining the projects was reported, which have been collated into the categories as show in Figure 7 below.

⁵ The level of detail as reported varied across the DOEs for this section.

Figure 7. Frequency of reasons for declining projects

3.4.6. List of the project activities under validation or verification/certification in countries having less than 10 registered projects activities

41. All DOEs submitted a list of all the CDM project activities which the DOEs had undertaken in countries having less than 10 registered project activities:
- (a) 61 per cent of the DOEs (25) reported working in countries with less than 10 registered projects (55 per cent, 21).

3.4.7. Number of projects activities under validation or verification/certification per qualified auditor

42. All DOEs submitted information regarding the workload per qualified auditor as of the final day of the reporting period⁶. The data was reported for validators, verifiers, lead auditors, technical experts and technical reviewers.

⁶ Two DOEs were unable to submit accurate data for this section.

43. The information was reported as the number of each type of auditor a DOE had operating in the following ranges of project numbers - 0, 1-10, 11-20, 21-30 and over 30. The data is shown Figures 8 to 12 below.

Figure 8. Total number of project activities per validator

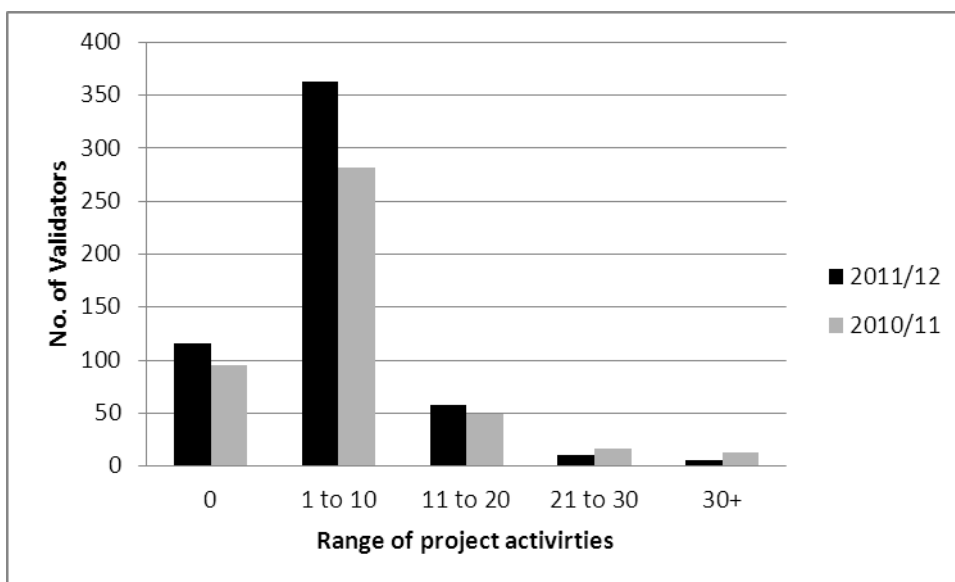


Figure 9. Total number of project activities per verifier

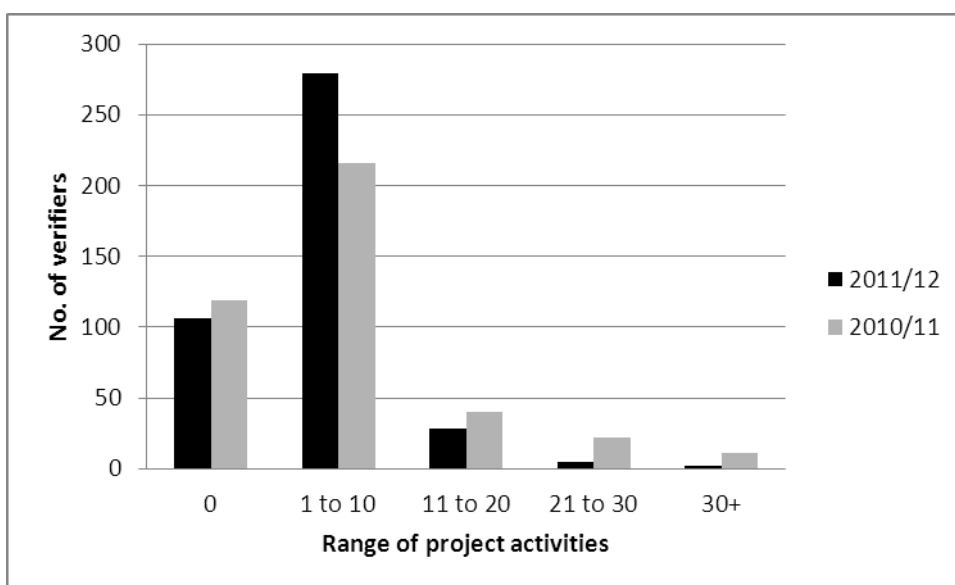


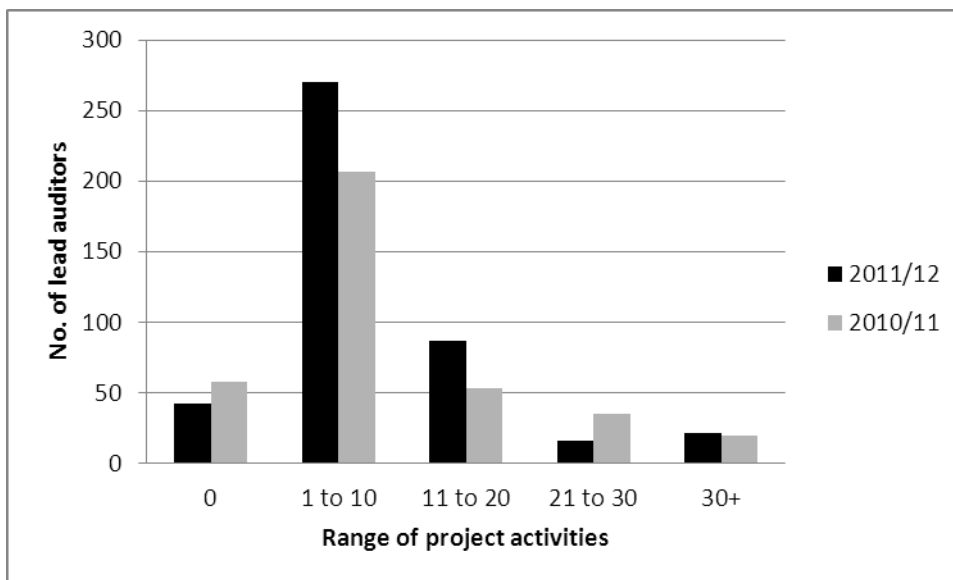
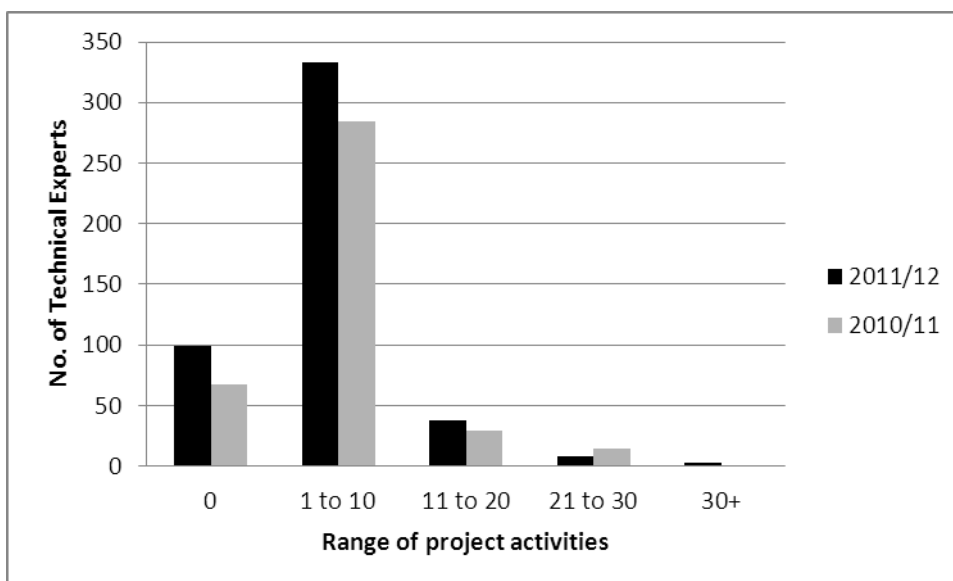
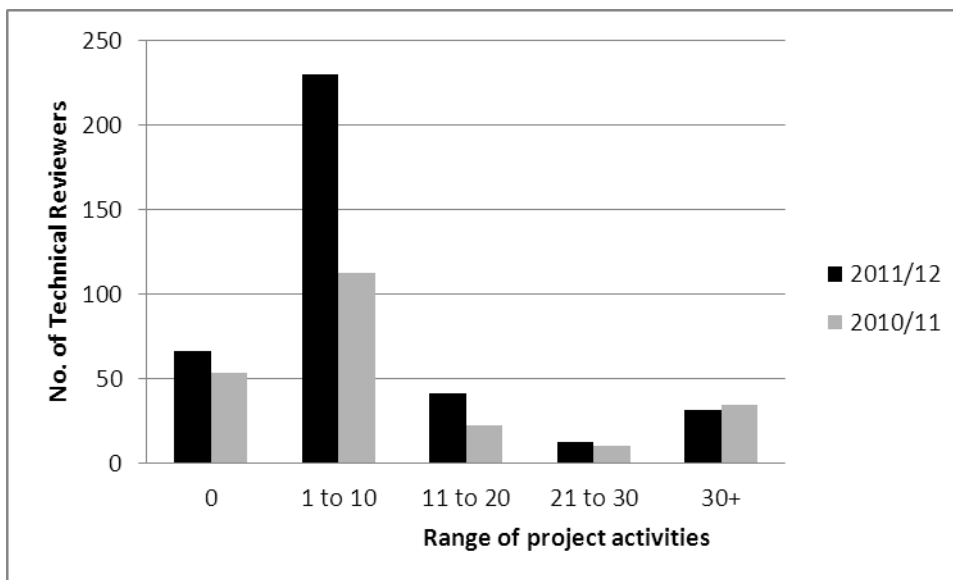
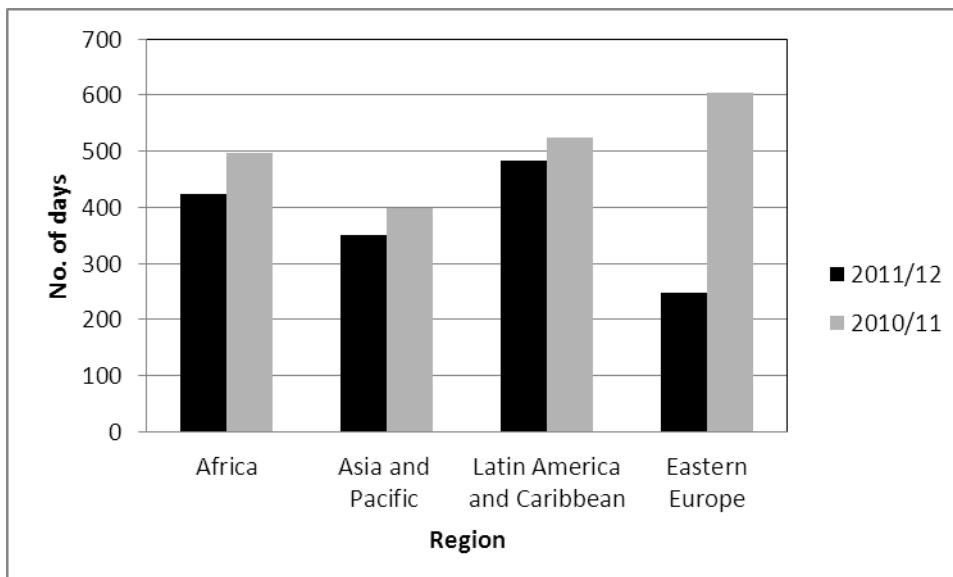
Figure 10. Total number of project activities per lead auditor**Figure 11. Total number of project activities per technical expert**

Figure 12. Total number of project activities per technical reviewer

3.4.8. Average timeframes for validation and verification/certification of project activities divided by region

44. All DOEs submitted information regarding the average timeframes for validations during the reporting period per region in number of days.

Figure 13. Average timeframes for validation of project activities per region

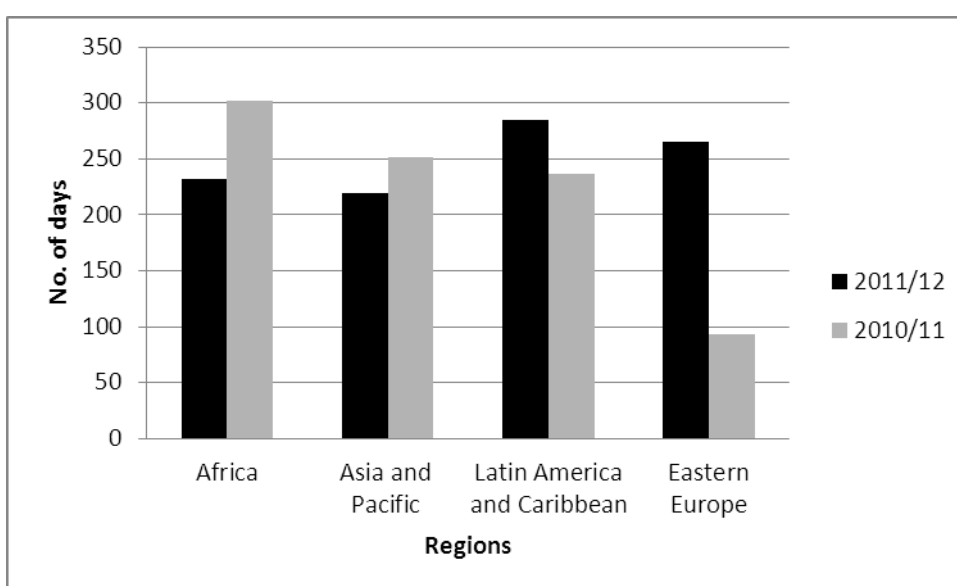
45. The longest and shortest reported timeframes by a DOE for a validation during the reporting period per region are shown in Table 8 below:

Table 8. The longest and shortest reported timeframes by a DOE for a validation during the reporting period per region (days)

Region	Longest reported timeframe	Shortest reported timeframe
Africa	1212	107
Asia and Pacific	1717	36
Latin America and the Caribbean	1320	73
Eastern Europe	1320	128

46. All DOEs submitted information regarding the average timeframes for validations and verifications/certifications⁷ during the reporting period per region in number of days.

Figure 14. Average timeframes for verification of project activities per region



47. The longest and shortest reported timeframes by a DOE for a verification/certifications during the reporting period per region are shown in Table 9 below:

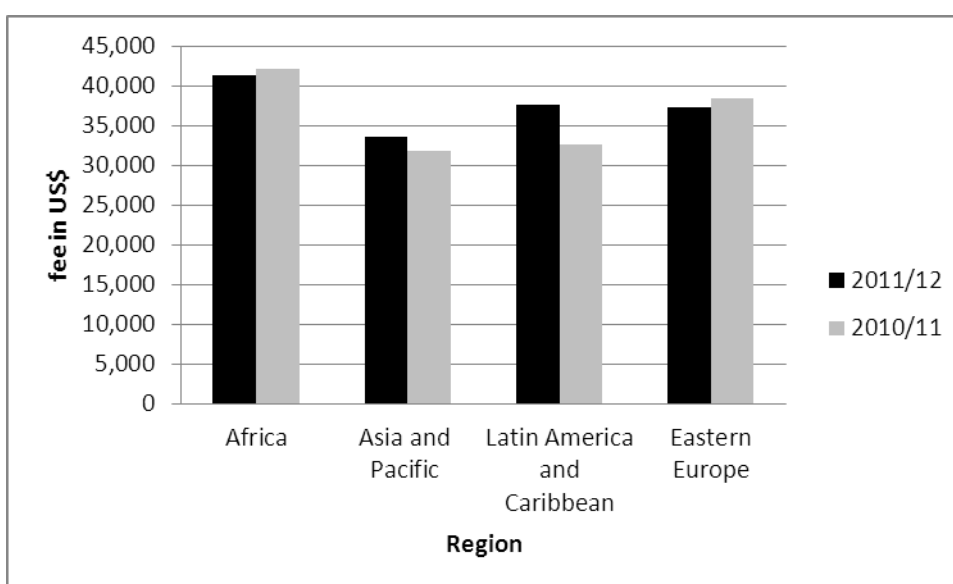
⁷ For the purpose of this report the average time is defined as the period from the signing of contract to the submission of the request of registration or issuance to the Board.

Table 9. The longest and shortest reported timeframes by a DOE for a verification/certification during the reporting period per region (days)

Region	Longest reported timeframe	Shortest reported timeframe
Africa	855	57
Asia and Pacific	1204	21
Latin America and the Caribbean	1068	18
Eastern Europe	517	80

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

48. All DOEs submitted information regarding the average fees in USD for validations and verifications/certifications during the reporting period per region.

Figure 15. Average fees for validation of project activities per region (USD)

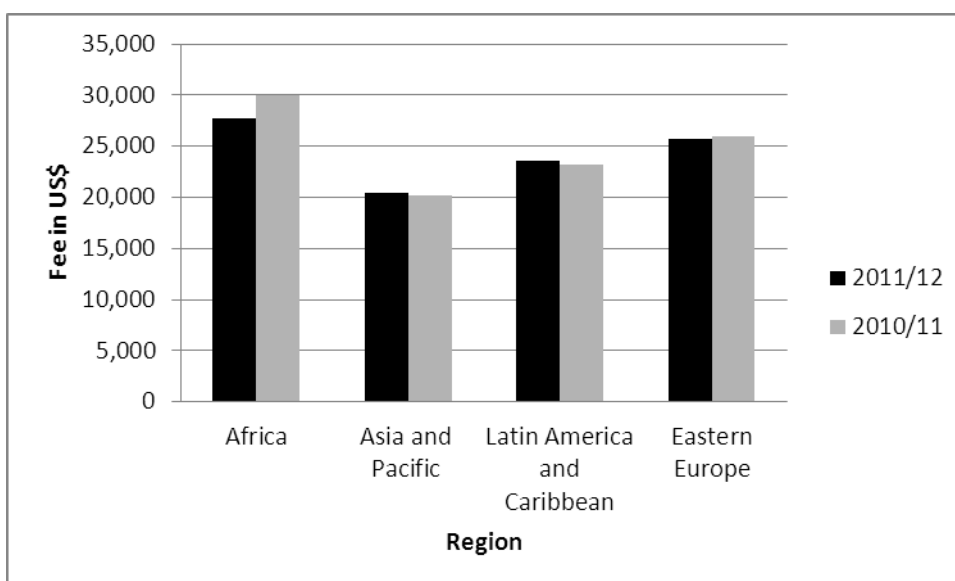
49. The highest and lowest reported fees by a DOE for a validation during the reporting period per region are shown in Table 10 below:

Table 10. The highest and lowest reported fee by a DOE for a validation during the reporting period per region (USD)

Region	Highest reported fee	Lowest reported fee
Africa	101,300	10,800
Asia and Pacific	147,000	5,785
Latin America and the Caribbean	96,700	6,800
Eastern Europe	75,459	13,000

50. All DOEs submitted information regarding the average fees in USD for verifications/certifications during the reporting period per region.

Figure 16. Average fees for verification of project activities per region (USD)



51. The highest and lowest reported fees by a DOE for a verification/certifications during the reporting period per region are shown in Table 11 below:

Table 11. The highest and lowest reported fee by a DOE for a validation during the reporting period per region (USD)

Region	Highest reported fee	Lowest reported fee
Africa	54,000	9,100
Asia and Pacific	54,067	3,067
Latin America and the Caribbean	78,057	4,850
Eastern Europe	45,000	14,819

3.5. Impartiality

3.5.1. Report of the Impartiality Committee

52. All the DOEs submitted the annual report of the activities of the impartiality committee as per paragraph 155(f) of the CDM accreditation standard.

3.5.2. Other impartiality issues

53. All the DOEs were requested to submit any further relevant comments with regards to impartiality issues experienced during the reporting period. Only nine additional comments were received covering operational actions as undertaken by the various committees.

3.6. Interactions with interested parties⁸

3.6.1. Interactions with the Board

54. All the DOEs submitted information regarding significant interactions that had taken place with the Board during the reporting period.
55. 57 per cent of the DOEs (23) reported significant interactions with the Board and these were conducted through the following channels:
- (a) Board meetings through the DOE Forum, appeals and as observers;
 - (b) CDM round tables;
 - (c) Further public events held by the Board;
 - (d) Workshop-Help desk for PoAs from Africa and non-African LDCs;
 - (e) Integrated workshop on the project standard, validation and verification Standard, project cycle procedure and programme of activities standards;
 - (f) 1st Sustainable Development Mechanisms Joint Coordination Workshop;
 - (g) Regional Calibration Workshops;
 - (h) Post and pre-Board meeting teleconferences;

⁸ The level of detail as reported varied across the DOEs for this section.

- (i) DOE consultation on significant deficiencies and liabilities;
- (j) CER registration and issuance requests;
- (k) High-level panel on the CDM Policy Dialogue;
- (l) Participation in the Conference of the Parties (COP).

3.6.2. Interactions with other designated operational and/or applicant entities

56. All the DOEs submitted information regarding significant interactions that had taken place with other interested parties during the reporting period.
57. 60 per cent of the DOEs (24) reported significant interactions with other designated operational and/or applicant entities and these were conducted through the following channels:
- (a) DOE/AIE Coordination Forum;
 - (b) DIA Association (Designated Operational Entities and Independent Entities Association) including regular conference calls and through 'materiality' and 'significant deficiencies' working groups;
 - (c) CarbonExpo;
 - (d) Carbon forums;
 - (e) UNFCCC workshops;
 - (f) Membership of IETA (International Emissions Trading Association);
 - (g) Ad-hoc meetings and interactions with other DOEs;
 - (h) Joint meeting between the DIA and PD Forum (Project Developers Forum) including the Technical Roundtable;
 - (i) COP;
 - (j) GAJ;
 - (k) Board conference calls.

3.6.3. Interactions with other interested parties

58. All the DOEs submitted information regarding significant interactions that had taken place with other interested parties during the reporting period.
59. 55 per cent of the DOEs (22) reported significant interactions with other interested parties during the reporting period and these were conducted through the following channels:
- (a) IETA;
 - (b) The World Business Council for Sustainable Development (WBCSD);
 - (c) VCS;

- (d) UNFCCC - workshops, post Board conference calls and COP;
- (e) The Gold Standard;
- (f) CarbonExpo;
- (g) Workshop for new market mechanism, Brussels, Belgium;
- (h) Regional associations including Japans operational entities association, Japans voluntary emissions trading scheme and the GAJ;
- (i) Project participants and potential clients;
- (j) The Climate Markets & Investment Association and the Carbon Capture and Storage Association;
- (k) Interaction with NGOs;
- (l) Impartiality committees (comprising of external experts);
- (m) Interaction with appeal panels;
- (n) IGES for research purposes;
- (o) Issuance of press releases on specific issues;
- (p) Research for the future China Emission Trading System;
- (q) Various DNAs, Ministries and Policy research centres.

3.7. Financial statement

3.7.1. Annual income and expenditure relating to CDM related activities

- 60. All the DOEs submitted information on annual income and expenditure relating to CDM activities (validation and verification) in USD.⁹
- 61. During the reporting period:
 - (a) 70 per cent of the DOEs (27) reported a higher income than expenditure;
 - (b) 15 per cent of the DOEs (6) reported an equal income and expenditure;
 - (c) 15 per cent of the DOEs (6) reported a lower income than expenditure.

3.8. Challenges and lessons learnt

- 62. 83 per cent of the DOEs (33) submitted further relevant comments with regards to challenges and lessons learnt during the reporting period. The wide range of responses have been grouped into four key themes as presented below:
 - (a) Communication between the Board, including its support structure, and the DOEs featured heavily within the reports. Many DOEs echoed the sentiments from the

⁹ One DOE reported that they were unable to report on expenditure figures as relevant staff was not solely dedicated to CDM related activities.

previous reporting period highlighting the continued improvement in communication. The various UNFCCC workshops and the use of online tools, such as webex, were singled out for positive feedback. There was a note of caution in that there remained room for further enhancement in this area;

- (b) The second key theme was in relation to the challenges and lessons learnt through the conduction of the various accreditation assessments. There were two main reporting trends within the opinions as offered by the DOEs. Many entities expressed that the assessments presented an opportunity for improvements to be made within various aspects of their accredited systems. Alternatively other DOEs reported that there were issue relating to the assessments in relation to their number, frequency and overlapping;
- (c) Many DOEs also commented on the challenges of securing the required human resources and maintaining them up to date through training. In particular difficulties in locating technical experts for certain technical area, experienced validators/verifiers and members of impartiality committees with the required CDM experience were mentioned. In terms of training some DOEs reported on the challenges of keeping staff informed of the latest Board rulings due to the volume (PoAs, guidance, tools, VVS etc.) and frequency;
- (d) The final key theme from the reports was the current and potential future challenges of the carbon market. The underlying subject was the uncertainties surrounding the role of CDM post-2012 and the required adjustment of business plans. In particular many DOEs highlighted the current pressure to meet the expectation on clients in relation to the submission deadline of 31 December 2012. A couple of DOEs referred to the potential impact of the procedure for addressing significant deficiencies on their future participation in the market. Numerous DOEs reported on the growing opportunities in least developed countries and the challenges that expanding business in this region represents, including the location of qualified auditors, general awareness of the CDM and practical issues relating to site visits.

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