

Agenda item 2.3

Paragraph 9 of the annotated agenda

Synthesis report of the annual activity reports submitted by the DOEs (1 Jul 18 to 30 Jun 19)

CDM EB 105

Madrid, Spain, 25 to 28 November 2019



Procedural background

1. In accordance with paragraph 27(g) of the modalities and procedures (M&P) of the CDM (3/CMP.1) and section 18 of the CDM accreditation procedure (version 14.0) DOEs shall submit an annual CDM activity report to the Executive Board of the CDM.
2. Requirements of para 20 and 21 of 2/CMP.5 (collecting the number of project activities per qualified auditor, and the time frames and average fees for the validation and verification of CDM projects by region).
3. EB87 requested reporting other GHG business activities.
4. EB102 simplified the information to be collected from DOEs.
5. The secretariat produces a public synthesis report of the annual activity reports submitted by the DOEs.



Purpose

1. The purpose of the synthesis report is to enable a range of stakeholders to be informed of the current status of the operations of DOEs.
2. For the CDM-EB to consider any recommendations to the CDM-AP.



Observations or highlights

1. There are 31 DOEs as of 30 June 2019.
2. One initial accreditation.
3. At least 12 DOEs in each sectoral scope.
4. More than half of DOEs worked in underrepresented countries.
5. Increase in validation activities.
6. Most DOEs work in other GHG business activities.
7. 80% of validation/verification activities are conducted by 10 DOEs.
8. More DOEs accredited in each sectoral scope as compared to last period.
9. There are 21 DOEs reporting higher income than expenditure – highest figure amongst five latest reporting period.



Structure of synthesis report

1. Introduction;
2. Accreditation status;
3. Organization;
4. Activities relating to the consideration of project activities;
5. Financial statement;
6. Challenges and lessons learned;
7. Other business activities

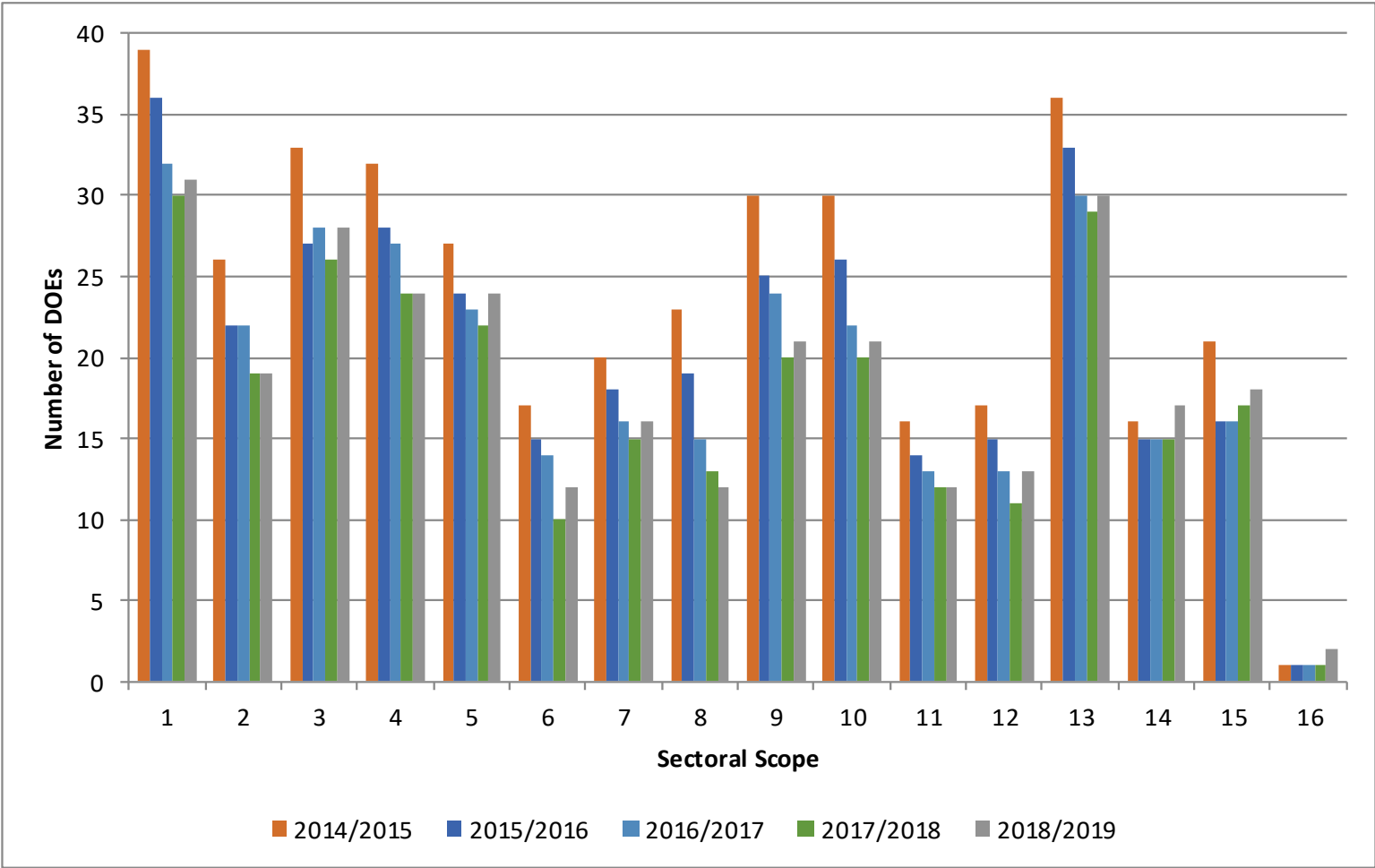


Introduction

- Deadline for submission - 30 Sep 2019.
- 29 DOEs submitted by 30 Sep 2019 and 2 DOE submitted after the deadline.
- One new DOE accredited at EB103.



Introduction – accredited sectoral scopes



Internal and external individuals

- Average number of internal personnel per DOE: 13
- Average number of external personnel per DOE: 19 (utilized by 26 DOEs)



Activities relating to project activities – number of projects

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

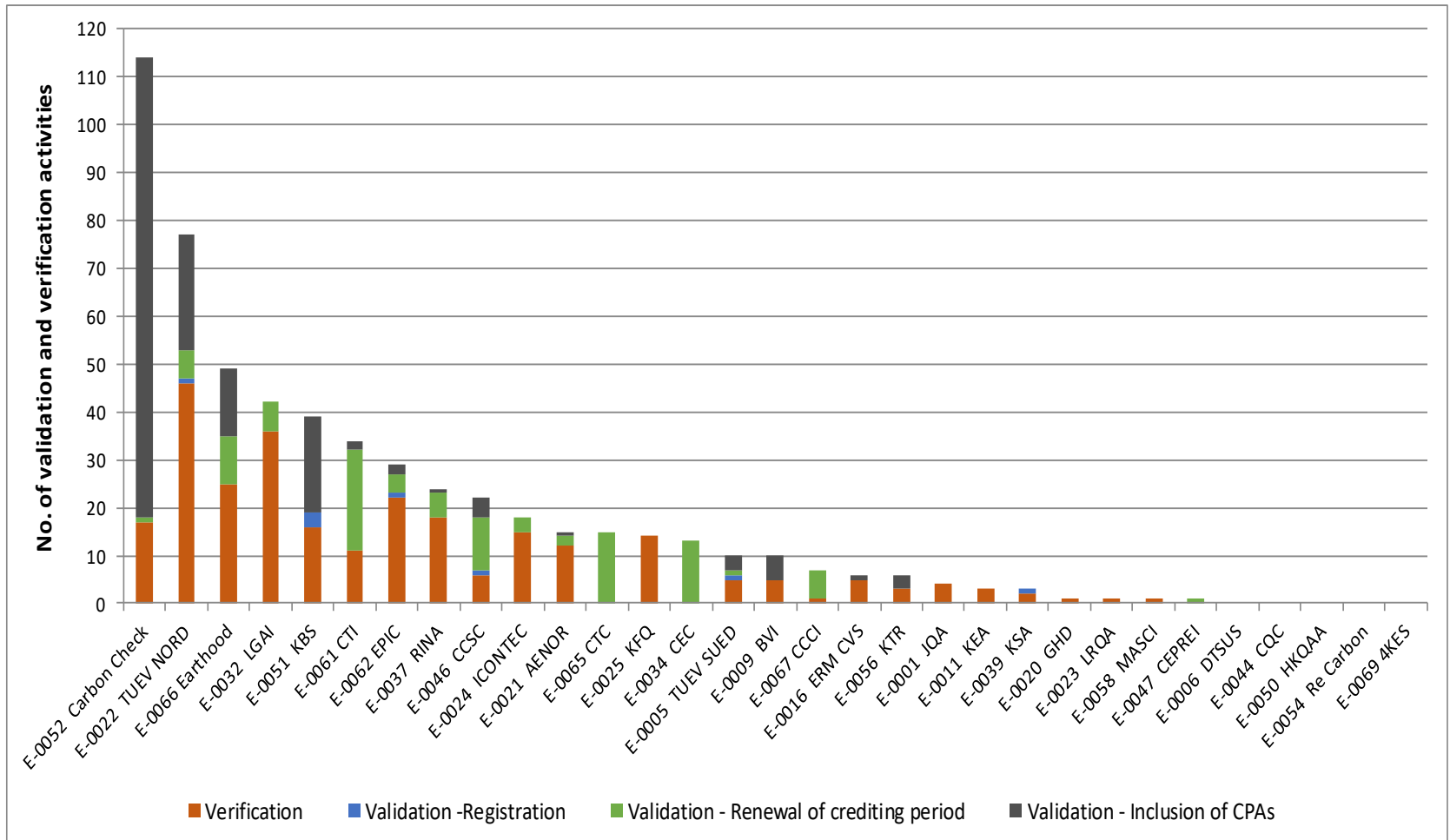
Note: Figures in bracket are for reporting period 2014-15, 2015-16, 2016-17, 2017-18 respectively



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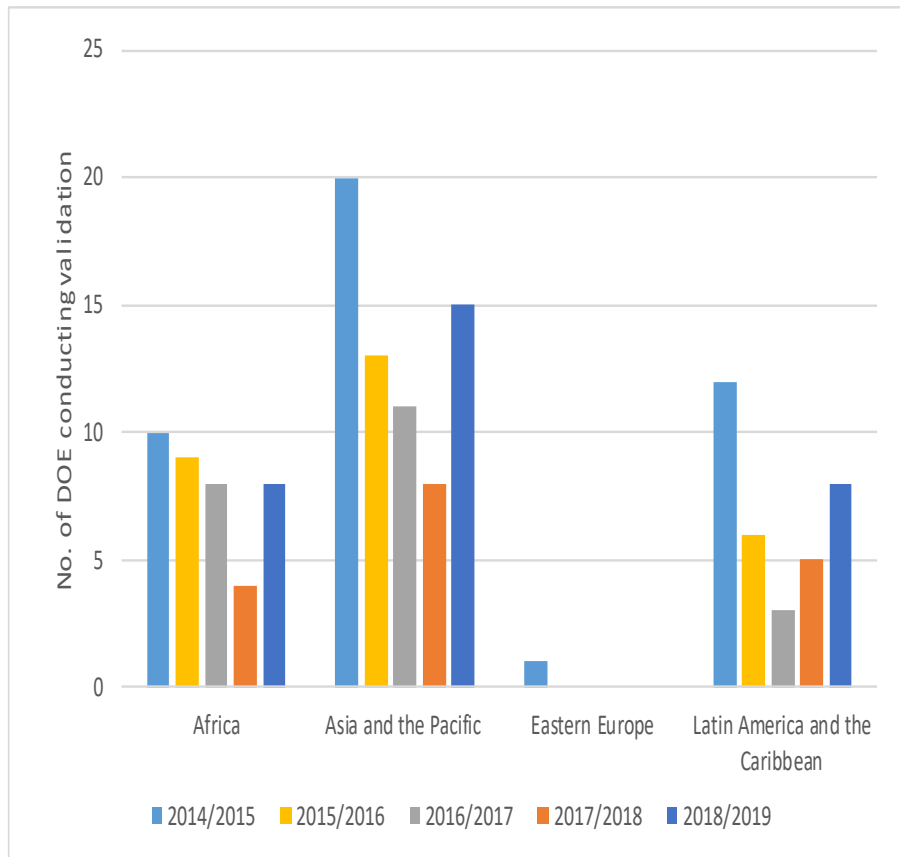
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Activities related to project activities – Distribution (1)

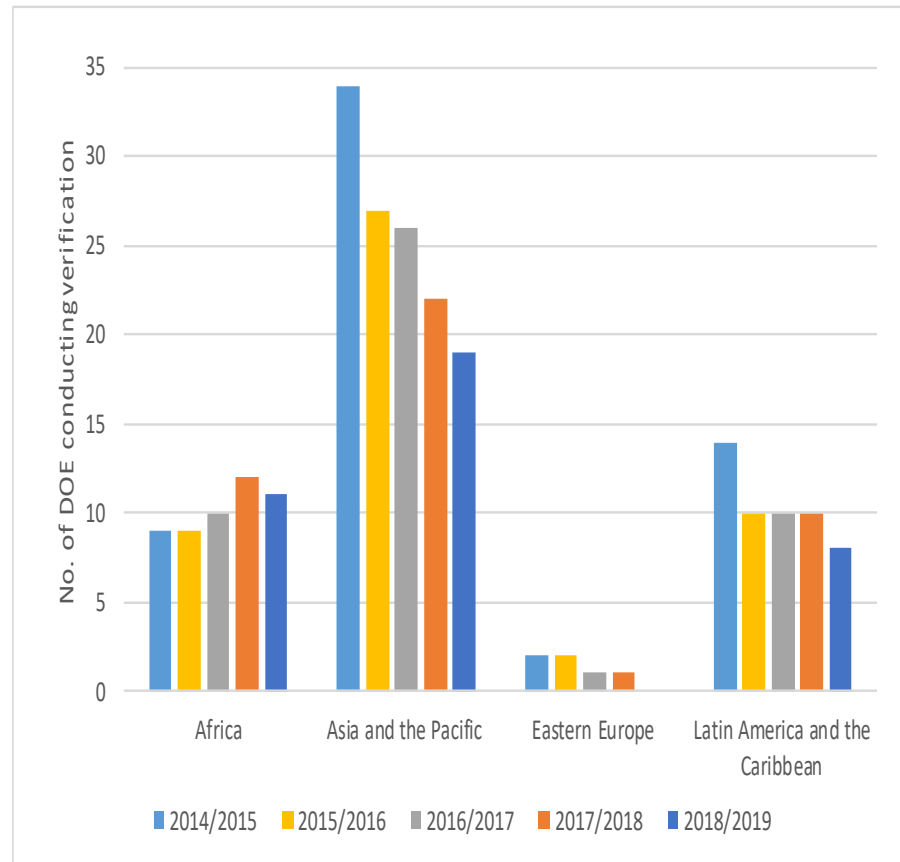


Activities related to project activities – Distribution (2)

Number of DOEs conducting validation and verification activities in each region



Number of DOEs conducting validation



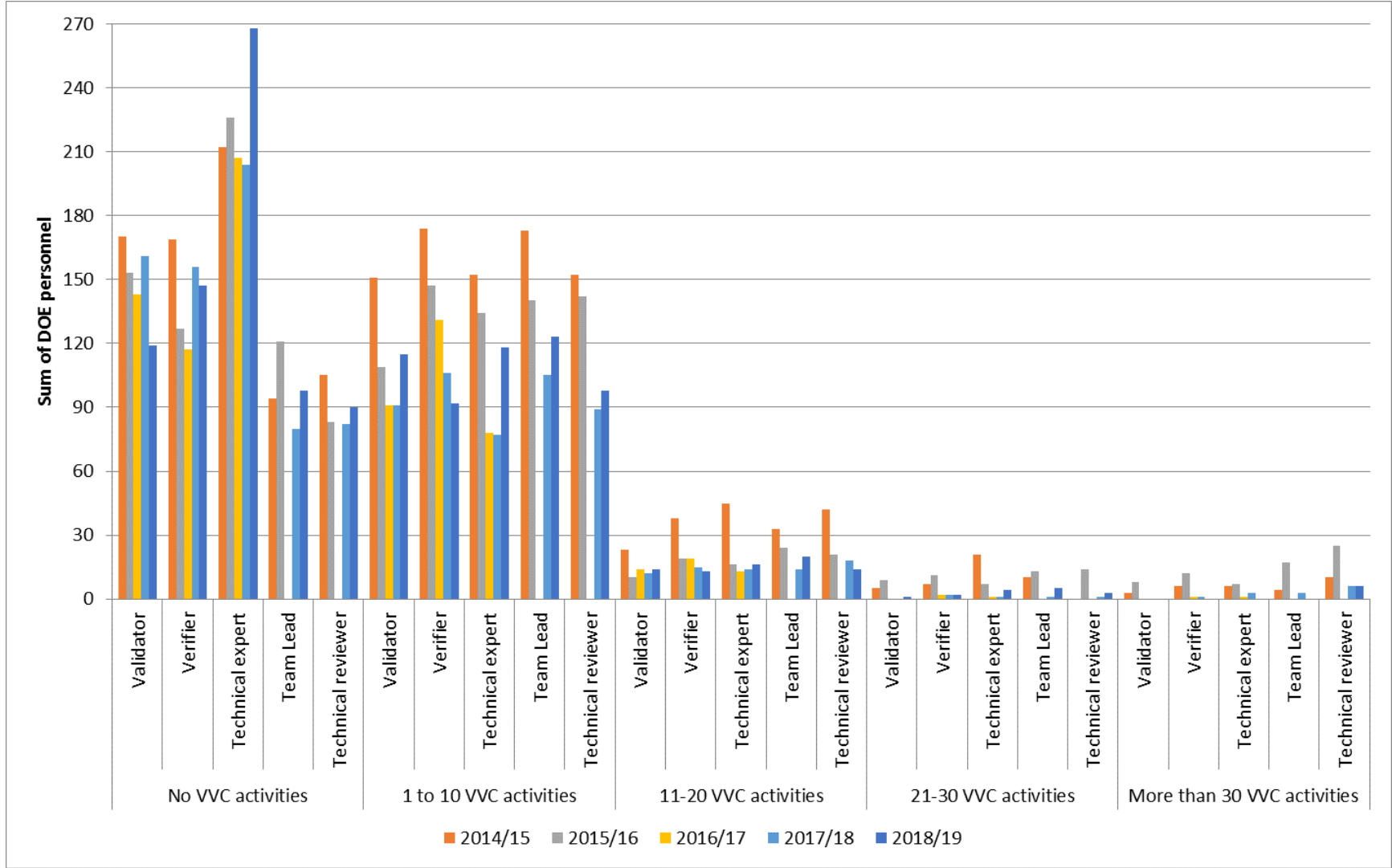
Number of DOEs conducting verification



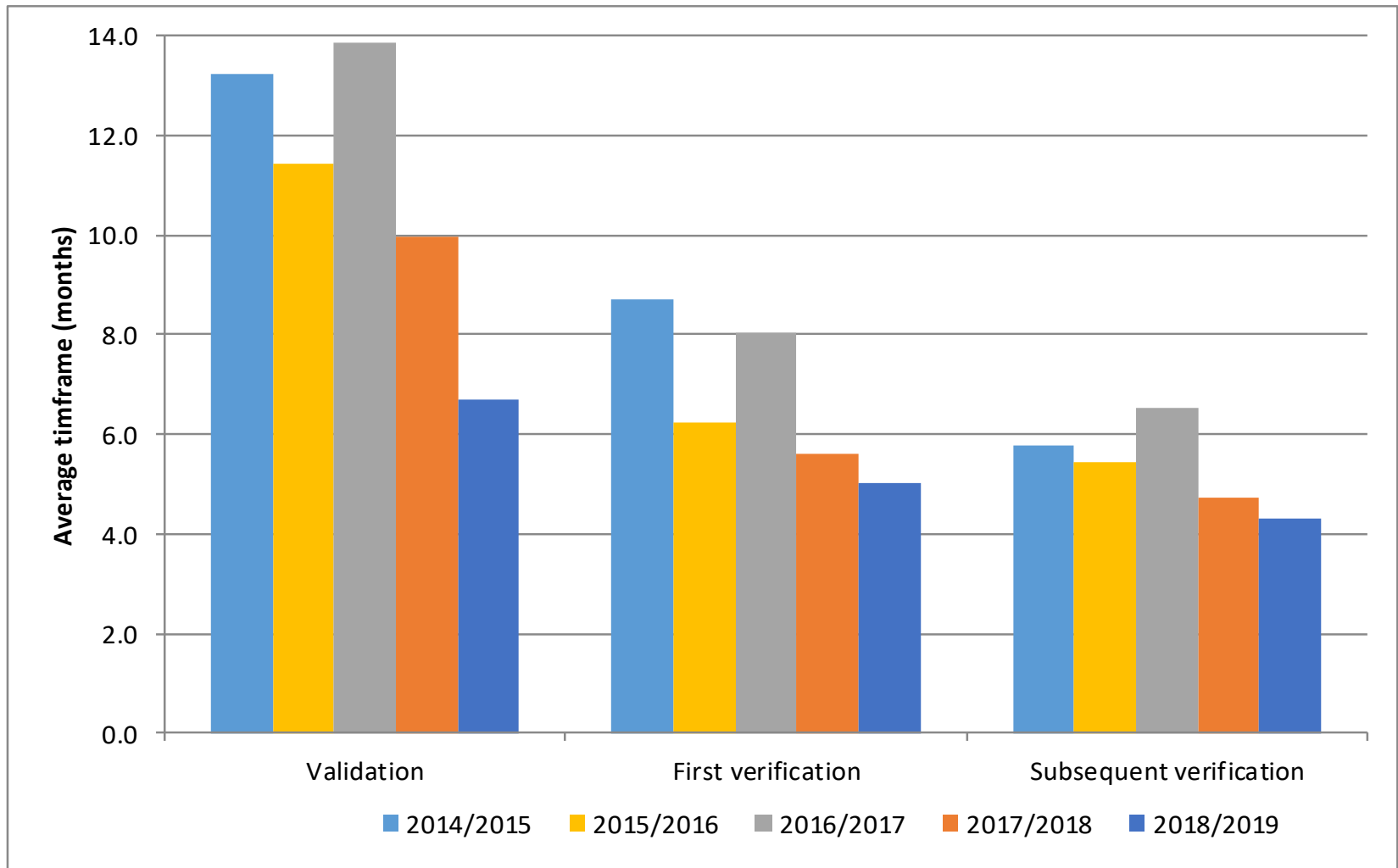
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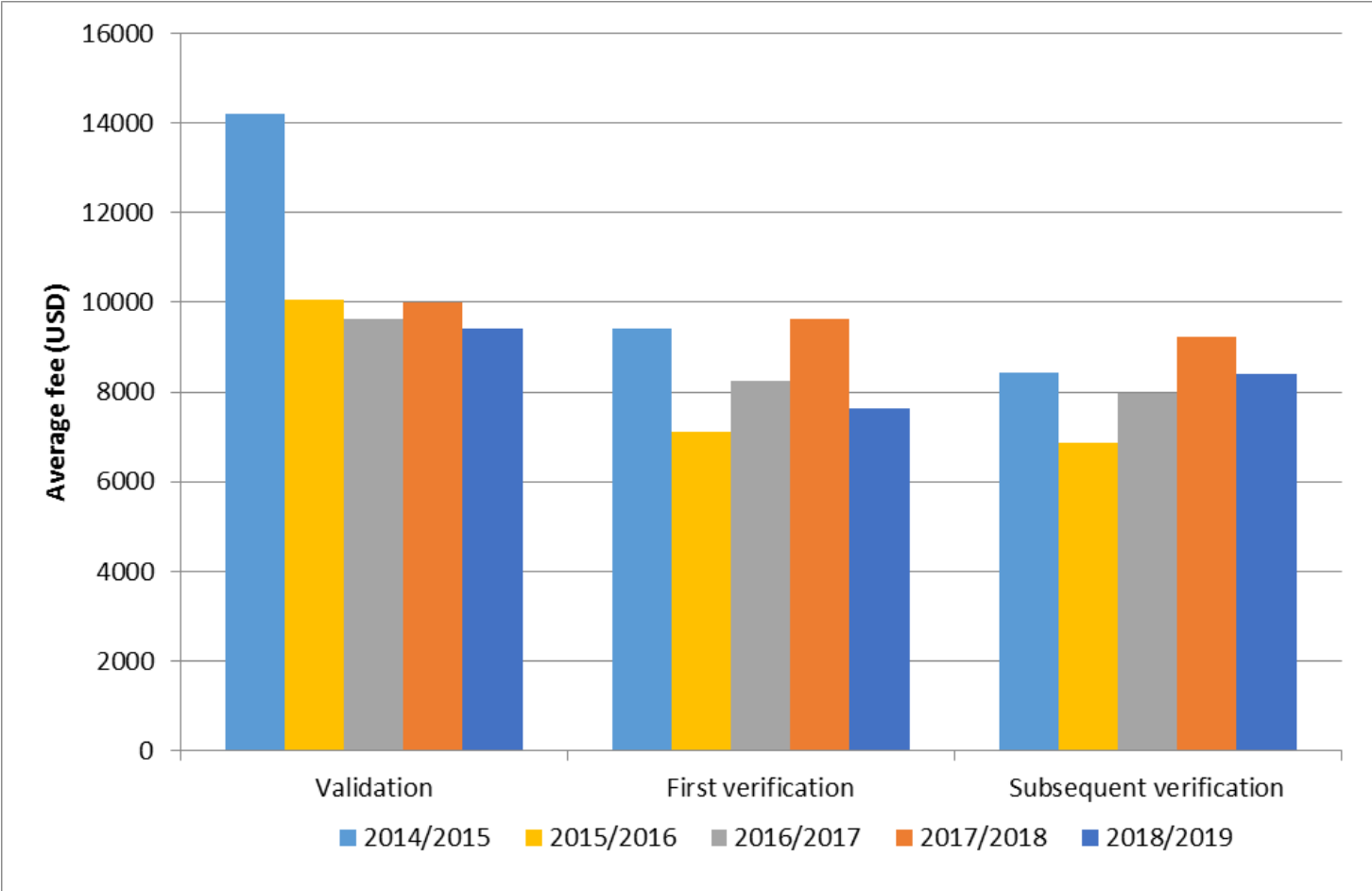
Activities related to project activities – Workload per auditor



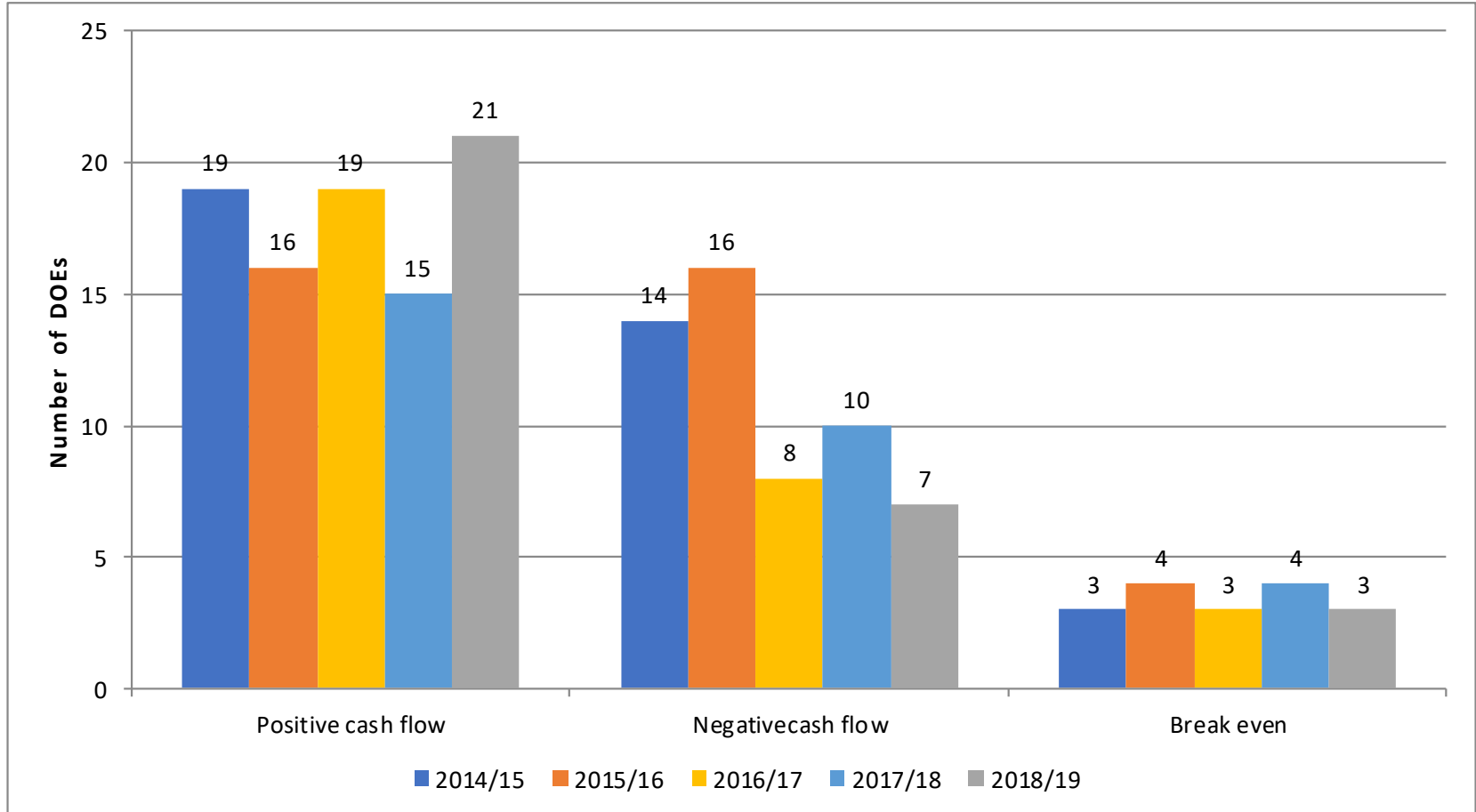
Activities related to project activities – Average time frames



Activities related to project activities – Average fees



Financial statement



Challenges and lessons learnt

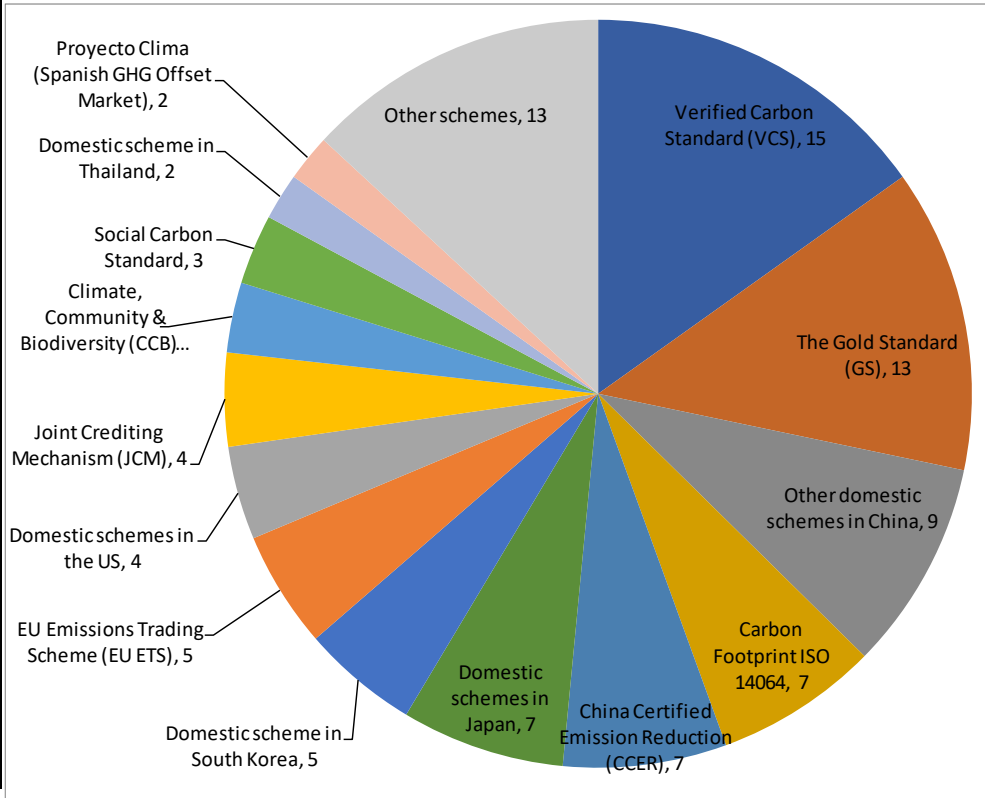
26 DOEs reported on challenges and lessons learnt, which have grouped into four areas :

1. **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;
2. **Lack of opportunities to practice and implement** the updated CDM requirements due to the low volume of projects;
3. Experience with the CDM and current market conditions providing **opportunities to seek and support other certification business.**
4. **Service fee competition** among DOEs.

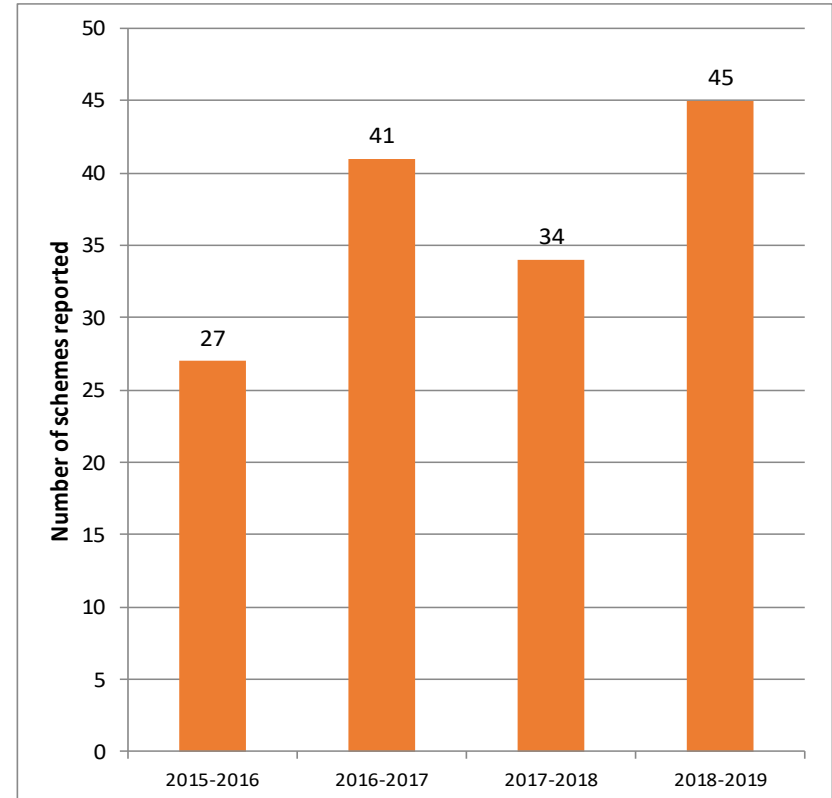


Other business activities

28 DOEs reported other business activities that involve validation or verification of GHG assertions in schemes other than the CDM.



Schemes reported by DOEs



Number of schemes reported by DOE



Recommendation

The secretariat recommends that the Board take note of the synthesis report (1 Jul 2018 to 30 Jun 2019), and provide guidance as appropriate.



End of presentation

THANK YOU

