

Rating for Designated Operational Entities Accredited under the Clean Development Mechanism – Summary

Methodology

Designated Operational Entities (DOEs) are accredited independent entities responsible for ensuring that proposed projects under the Clean Development Mechanism (CDM) meet all requirements established by the CDM Executive Board operating under the Kyoto Protocol. This rating of DOEs, developed by WWF and Öko-Institut, aims to provide transparent information to the market with regards to how well DOEs are fulfilling the requirements and expectations of the CDM Executive Board.

The rating is based on a statistical evaluation of decisions by the Board on requests for registration of CDM projects. The percentage of projects registered, rejected, reviewed or for which corrections are requested is used to assess the performance of DOEs. The rationale for such a statistical approach is that the registration success expresses on average, over many projects, to what extent the DOEs live up to the expectations of the Board. For example, a DOE with a high percentage of projects being rejected fails on average more frequently to meet the requirements and expectations of the Board and should thus have a lower rating than a DOE with a low percentage of projects being rejected. The rating focuses on the fulfilment of requirements and expectations of the Board; other aspects of the performance of DOEs, such as the costs and timing of their services, are not subject to the rating.

Other approaches for rating DOEs were also considered and are described in the full report. In our view the decisions by the Executive Board on requests for registration by DOEs currently appears to be the best available means to evaluate to what extent DOEs are living up to the Board's expectations.

To rate DOEs, we use a scale from A to F where A indicates a very good performance

and F indicates a very poor performance. The following table provides an example of the level of registration performance that would qualify the DOE for a certain rating. A detailed description of the methodology can be found at the WWF website.

Rating	Example of a performance qualifying for a certain rating
A	95% automatic registration 3% registered after corrections 1% registered after a review and corrections 1% rejected
B	80% automatic registration 16% registered after corrections 2% registered after a review and corrections 2% rejected
C	65% automatic registration 20% registered after corrections 12% registered after a review and corrections 3% rejected
D	50% automatic registration 25% registered after corrections 20% registered after a review and corrections 5% rejected
E	35% automatic registration 40% registered after corrections 15% registered after a review and corrections 10% rejected
F	20% automatic registration 40% registered after corrections 20% registered after a review and corrections 20% rejected

Results

The results of the May 2009 rating are summarised in the table below. All DOEs have a relatively low performance due to the high number of projects being rejected, reviewed or requested for corrective action by the Board. TÜV-Nord and TÜV-Süd have the best performance with a D rating. BVC has an F rating due to a high share of projects being rejected or requested for corrective action to be taken. SGS is in the middle ground between BVC and the TÜVs with an E rating.

DOE	Rating
TÜV-Nord	D
TÜV-Süd	D
SGS	E
BVC	F
DNV	F

The accreditation of DNV was temporarily suspended during the past six months. For this reason, DNV has an F rating.

The relatively higher ranking of the TÜVs can mainly be attributed to their higher registration success. Both DOEs have a relatively low share of projects being rejected (2% for TÜV-Nord and 3% for TÜV-Süd) compared to other DOEs (11% for SGS and 12% for BVC).

For all DOEs, the share of projects that are automatically registered is below 50%; however, BVC has a significantly lower rate (24%) of automatically registered projects compared to other DOEs (35%-46%). It also has a high share of projects for which a review was requested and for which corrections were required. The detailed results of the evaluation are shown in the figure below.

