



Annex 3

INFORMATION NOTE ON THE UPDATE ON 2010 PROJECT ASSESSMENTS AND IMPLEMENTATION OF PROCEDURES FOR REGISTRATION, ISSUANCE AND REVIEWS

I. Background

1. During the course of 2010, the waiting time associated with new project submissions has become an area of increasing focus and urgency for the Executive Board (hereinafter referred to as the Board). Throughout the year, the Board, supported by the secretariat, has undertaken a number of measures in an attempt to reduce the waiting time for new project submissions and has also in parallel moved forward with measures to improve the quality of project related submissions with the view that an improvement of the quality of submissions will reduce waiting time for all submissions.
2. This note provides an overview and analysis of the progress in assessing projects, the implementation of new procedures and the efforts by the Board and the secretariat to streamline procedures and to reduce the waiting time for new project submissions.
3. The backlog of projects awaiting assessment by the secretariat was not created over night. It is the result of a gradual build-up of pending assessments, starting in 2009. This also means that reducing the backlog is not done overnight either. However, the Board and the secretariat has during the year taken several measures to address the issue, including:
 - (a) Introduction of an enhanced completeness check for project submissions (EB 48);
 - (b) Prioritizing new submissions over resubmissions (EB 53);
 - (c) Adoption of new procedures for registration of project activities and issuance of CERs (EB 54);
 - (d) Adoption of new review procedures for registration and issuance (EB 55);
 - (e) In addition to streamlining its procedures, the Board in the 2010 CDM management plan (CDM-MAP) approved significant increases in the staff supporting the mechanism.
4. At its fifty-sixth meeting, the Board also requested the secretariat to perform an analysis of the reasons why projects are returned to project participants (PPs) or designated operational entities (DOEs) for corrections during the first stage completeness check or the second stage information and reporting check. Section III.C. of this paper includes the findings of this analysis an information note has been published on the CDM website containing a comprehensive list of all projects that have been returned for corrections during the two stages of completeness checks. This list also includes, for each project activity, all reasons why a project was returned and indicates at what stage the project was returned to the PP/DOE.



II. 2010 improvements

A. Procedural improvements

5. Two key sets of procedures for streamlining the Board and secretariat's assessments of requests for registration and requests for issuance were adopted at its fifty-fourth and fifty-fifth meeting. At its fifty-fourth meeting, the Board adopted new procedures for registration of project activities and issuance of certified emission reductions (CERs). These procedures help to provide transparency regarding the secretariat's assessment of project submissions and include predictable timelines for when a project submission will be handled by the secretariat. These procedures were also issued along with checklists for each of the two stages (completeness check and information and reporting check) that cover the secretariat's initial assessment of the submission.

6. Projects that fail to pass either of these two stages are sent back to the PP/DOE for corrections and when resubmitted, these requests are treated like new submissions (without priority). The idea behind this change is to create an incentive for high quality initial submissions that do not need to be sent back and therefore will not experience unnecessary delays. Similarly, making the secretariat's checklists publicly available is intended to increase transparency and allow PP/DOEs to anticipate work performed by the secretariat and thereby also improve the quality of submissions. These procedures were implemented in June 2010. The secretariat has only recently started processing requests for registration and issuance that have had the benefit of reviewing the procedures and the checklists prior to their submission and therefore it is still somewhat early to draw conclusions regarding whether these incentives are having the intended effect.

7. At its fifty-fifth meeting, the Board adopted procedures for review for both registration and issuance that simplifies and accelerates the Board's consideration of requests for issuance of CERs and registration of project activities that have received a request for review. One key feature of these procedures is that multiple rounds of assessments and corrections have been eliminated. Another key feature is that Board discussion of each review case is now triggered only if there is a disagreement between the assessments provided by respectively the secretariat and the Registration and Issuance Team (RIT), or if a Board member disagrees with the recommendation made by the secretariat and the RIT. These two features are expected to simplify and speed up the review process for requests for registration and issuance. All projects for which reviews has been triggered after 31 July, 2010 are handled in accordance with these procedures. However, at the time this report was prepared, no cases had yet been fully finalized under these new procedures and it is therefore premature to draw conclusions regarding the effectiveness of these new rules.

B. Operational improvements

8. In addition to streamlining its procedures, the Board in its 2010 CDM-MAP approved significant increases in the staff supporting the mechanism. Immediately following the adoption of the 2010 CDM-MAP in May, the secretariat embarked on a recruitment effort that is now starting to yield results. As of the 8 November 2010, in the area of project assessment, 11 positions have been filled and the remaining four positions are expected to be on board by the first quarter of 2011. The secretariat in the context of the reporting on the implementation of the CDM-MAP and development of the 2011 CDM-MAP, will indicate the extent to which the available staffing resources are adequate to ensure a sustained processing of expected level of submissions from 2011.



9. Independently of the Board's efforts to improve the performance of the mechanism, the secretariat has undertaken a significant re-organization of its functions and internal procedures to enable it to improve its service. This has led to new units being created within the secretariat with specific functions aimed at supporting specific needs of the Board, DOE's, PPs and the general public, such as standard setting, project assessment, organizational and stakeholder development, etc.

10. To further increase its temporary capacity to handle the assessment of project submissions, the secretariat has engaged external experts to assist the secretariat in its efforts. To this end the secretariat as of July has been engaging 14 experts to assist in the assessment of projects. After the initial positive experience with outsourcing, the secretariat is in the process of engaging up to an additional 30 experts to assist, including through the organization of an on-site exercise in December to make a concentrated effort to tackle the remaining backlog in submissions.

C. Preliminary findings

11. Since the operational experience with the revised procedures adopted in 2010, as well as with the secretariat's recruitment and re-organization, is limited so far, it is premature to draw any firm conclusions regarding the effectiveness of these changes. Taken together, the measures discussed above have started to mitigate the backlog of project related submissions awaiting consideration by the Board, but more experience is needed. The secretariat therefore recommends that further procedural changes be minimized in order to gain further experience, and that further analysis be conducted in mid-2011.

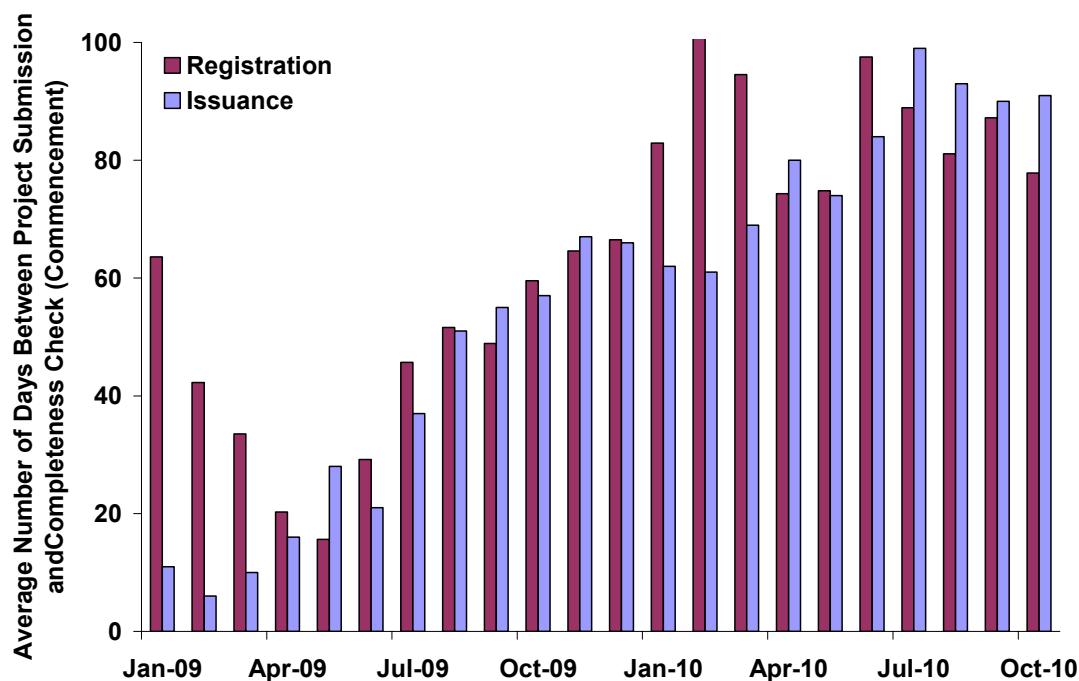
III. Project submissions and processing

A. 2010 trends

12. The time between receiving a request for issuance of CERs or a request for registration of a project activity and the time it is considered by the Board and final decision is taken has been increasing over the past 2 years and only recently has this trend started to change. Figure 1 below shows the average time in days between the submission of a request and the time it is processed by the secretariat. This figure shows that the waiting time for project submissions is clearly declining for projects processed in the later part of 2010. At the same time, the total submissions relative to 2009 are holding relatively steady.

13. For issuance, the situation depicted in Figure 1 is somewhat different. Although, the dramatic increase in waiting time for issuance related submissions appears to be starting to decline, this trend is weaker. Unlike registration, this is largely due to a significant increase in the number of requests for issuance received, exceeding even the values planned for in the 2010 CDM-MAP.

Figure 1: Average time between submission of request and processing of request by month in 2009–2010



14. Figures 2 and 3, below show the development of published requests for registration and requests for issuance of CERs in 2010 along with the number of published requests for which a review has been requested. The figures also show a comparison to the number of requests published in 2009. While the published number of requests for registration is lower than 2009, most of this difference is attributable to the introduction of the enhanced completeness check in late 2009 and the subsequent information and reporting check adopted at the Board's fifty-fourth meeting as part of the registration and issuance procedures. The introduction of the information and reporting checks is also one of the key reasons why the number of requests for reviews has declined for registration requests.

15. The number of issuance requests published in 2010 is more than 20 per cent higher than in 2009. However, at the same time, the number of submitted requests for issuance has increased dramatically by 44 per cent in the first nine months of 2010, compared to the same period last year. This has a significant impact on the work of the secretariat and is a leading reason why the waiting time for issuance requests has increased.

Figure 2: Published requests for registration in 2010

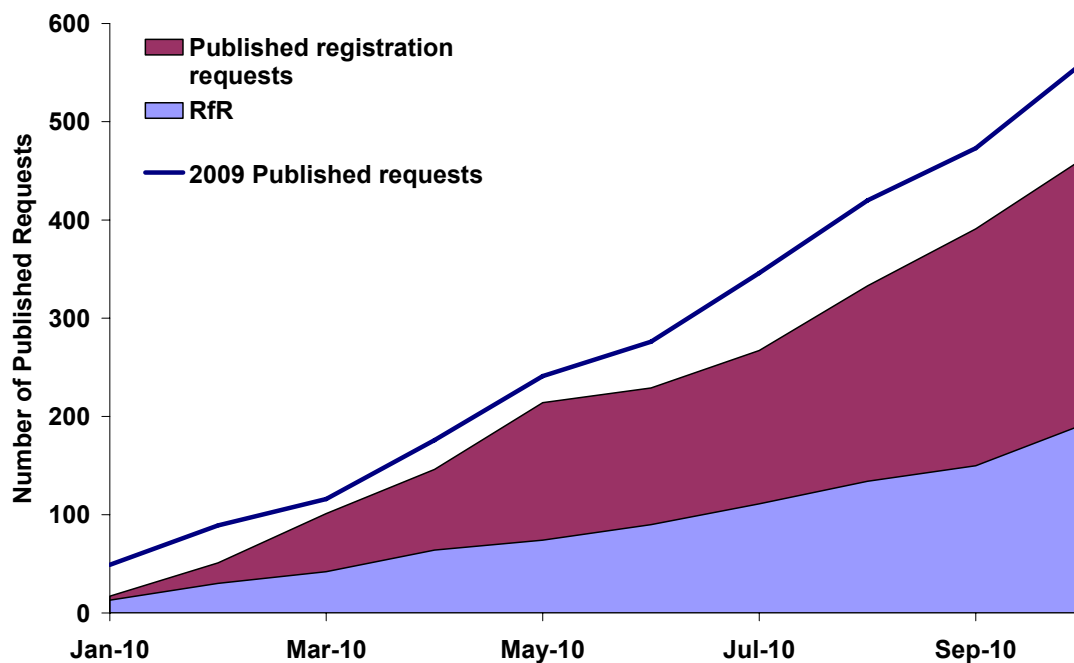
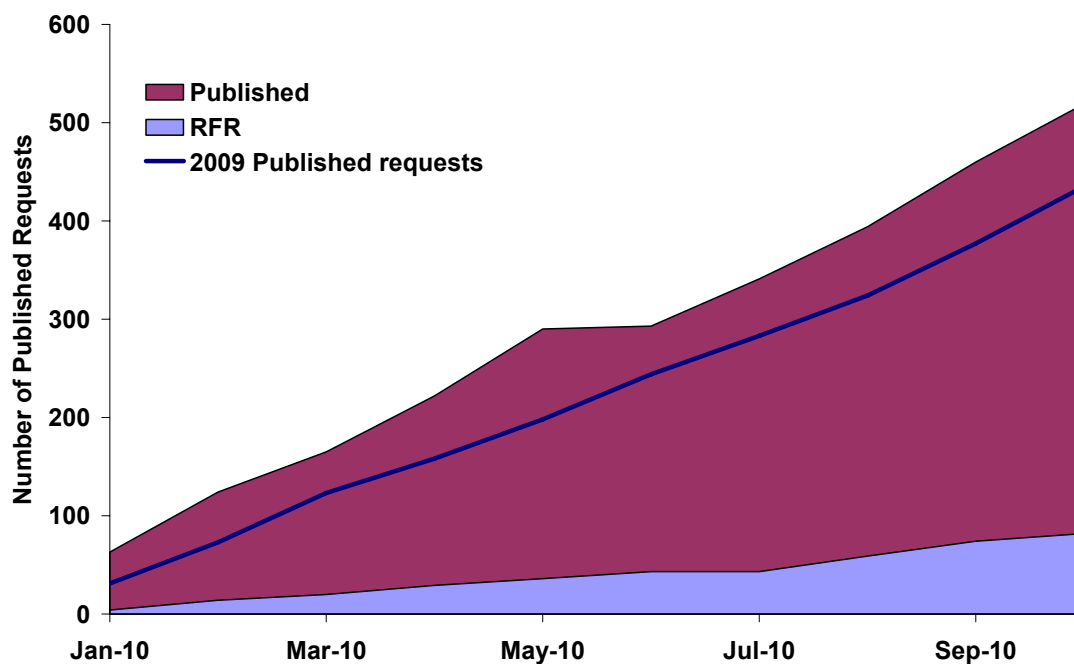


Figure 3: Published requests for issuance in 2010

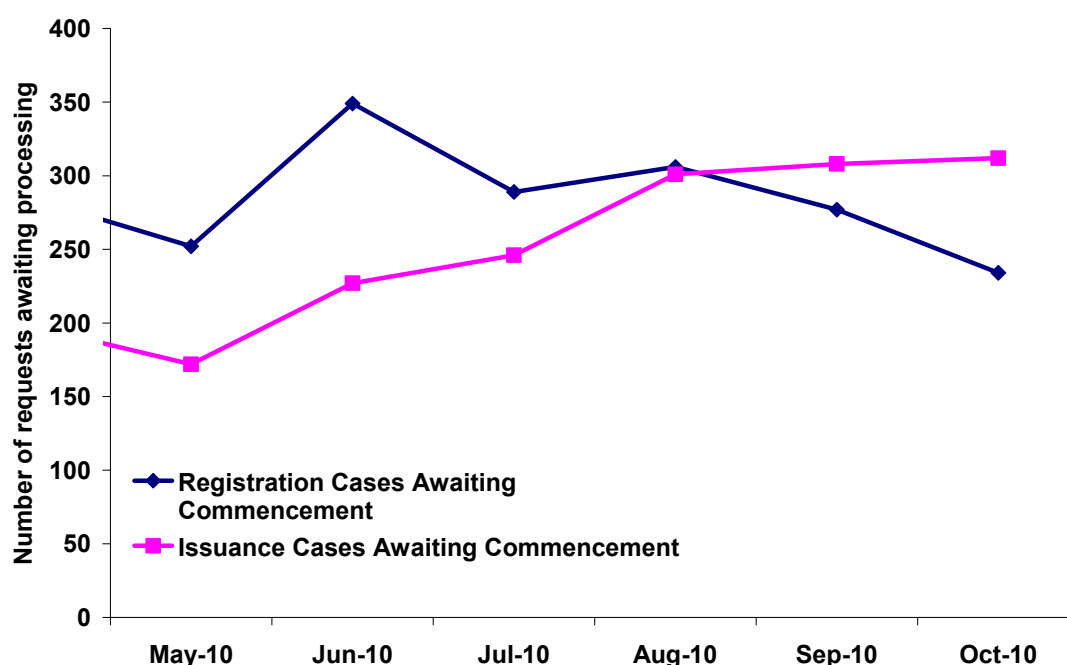


B. Comparison to the 2010 clean development mechanism management plan

16. This section looks at the trends following the adoption of the 2010 CDM-MAP, i.e. May through October. This period also corresponds roughly with the implementation of the new procedures for registration and issuance.

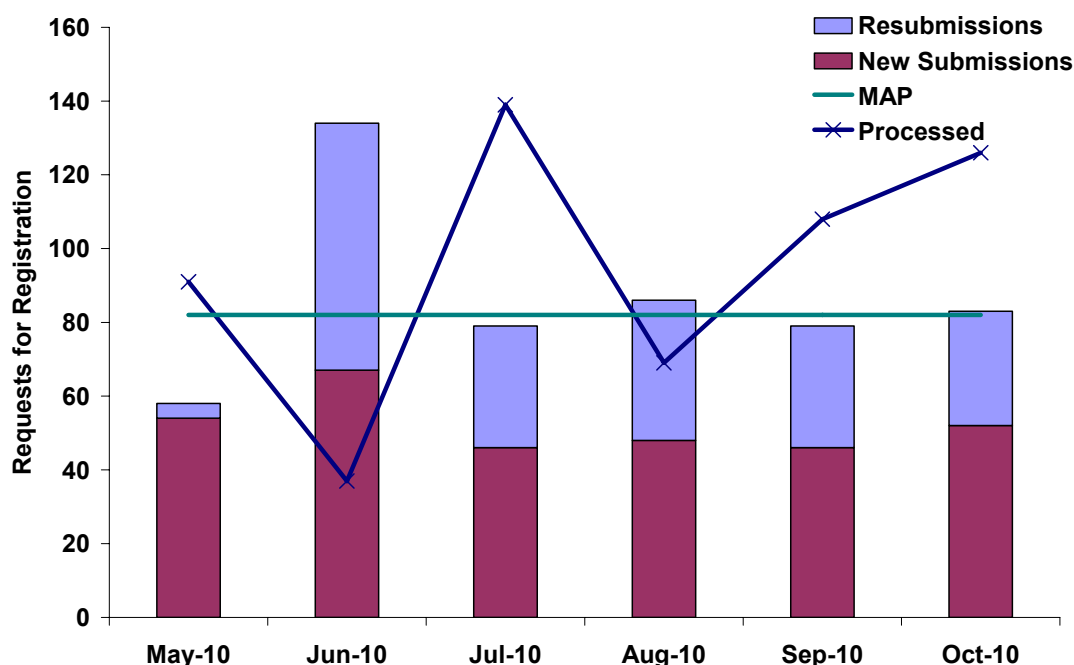
17. Figure 4 shows a month-by-month development of the number of cases awaiting completeness check. These are requests for registration or issuance that have yet to be processed by the secretariat. Similar to the trend shown in figure 1, figure 4 suggests a significant decreasing trend for registration, whereas issuance, for reasons discussed above continue to experience an increase in the number of cases awaiting processing.

Figure 4: Number of requests for registration and issuance awaiting processing by month (May–October 2010)



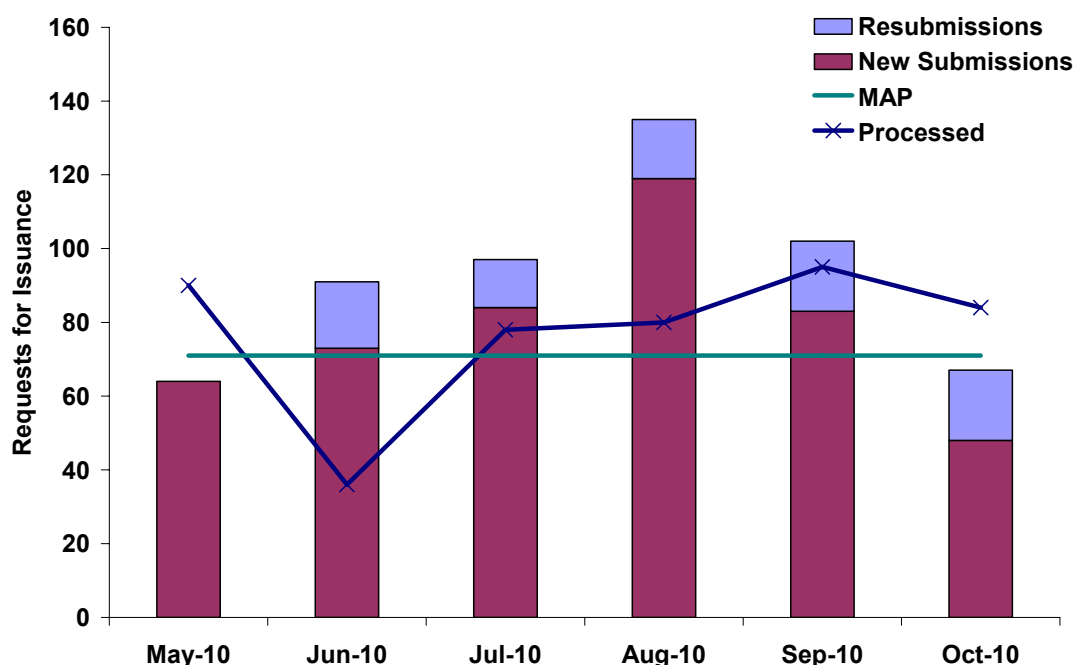
18. A comparison between expectations regarding processing capacity within the secretariat reflected in the 2010 CDM-MAP and the actual situation suggests that for requests for registration, the secretariat has processed roughly the same number of cases as projected in the CDM-MAP despite not yet having completed its recruitment efforts that were part of this plan. Figure 5 also shows that requests received in the May through October period are in line with expectations. As new staff approved in the 2010 CDM-MAP start their work and with further efforts, as discussed below, to clear the backlog of projects awaiting assessment, the secretariat expects that the waiting time for requests for registration will be reduced to 30 days or less by the end of the year.

Figure 5: Submissions, CDM-MAP expectations and secretariat processing of requests for registration during May-October 2010.



19. For requests for issuance, figure 6 shows a comparison between expectations regarding processing capacity within the secretariat reflected in the 2010 CDM-MAP and the actual situation during May through October 2010. Figure 6, clearly shows that not only is the secretariat undertaking assessments that far exceed the CDM-MAP expectations, but also that the level of submissions is significantly higher than expected. This is not sustainable. The situation will improve somewhat as additional new staff that were part of the 2010 CDM-MAP come on board, but more needs to be done to create a long term sustainable situation with predictable timelines for requests for issuance. Measures to first reduce the immediate backlog of requests for issuance are planned and further measures to achieve a sustainable long term situation are suggested in section IV, below, and elaborated in the appendix.

Figure 6: Submissions, CDM-MAP expectations and secretariat processing of requests for issuance during May-October 2010



C. Reasons for returning projects during completeness check and information and reporting check

20. This section provides an overview of the secretariat's work during the initial assessment of project submissions and an analysis of the reasons why project submissions are returned to the PP/DOE for corrections. In the period June 2010, through 22 October 2010, the secretariat has commenced assessments for 479 requests for registration and 373 requests for issuance of CERs.

21. Figures 7 and 8, below provides an overview of the completeness checks performed in the July to October period. For both registration and issuance cases, about 10 per cent of the submissions are returned for corrections as a result of the initial completeness checks performed by the secretariat.

Figure 7: Completeness checks for requests for registration.

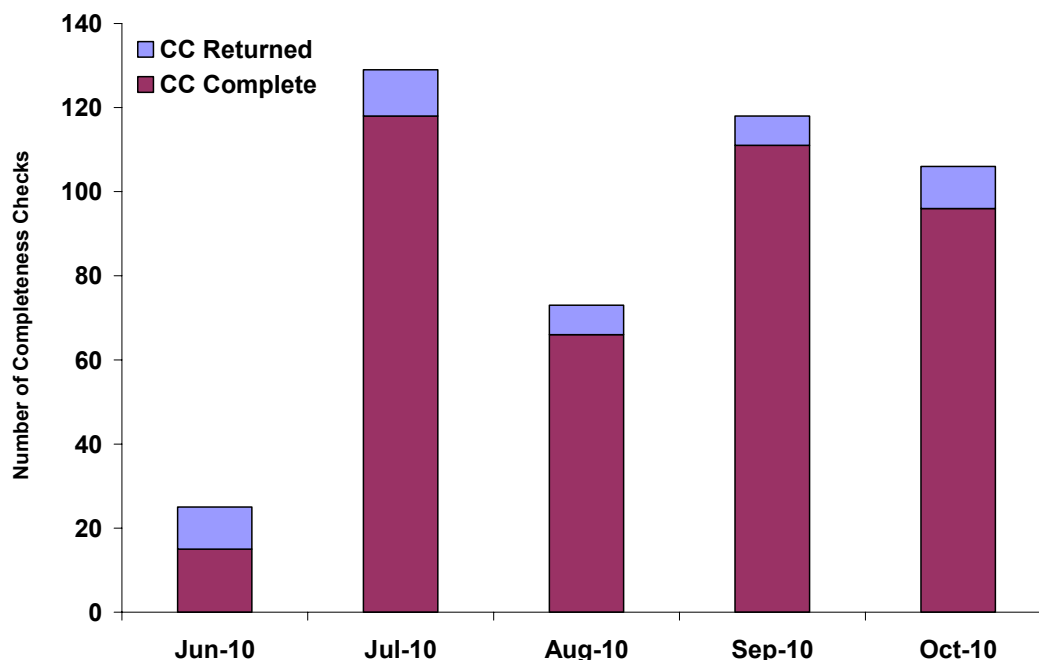
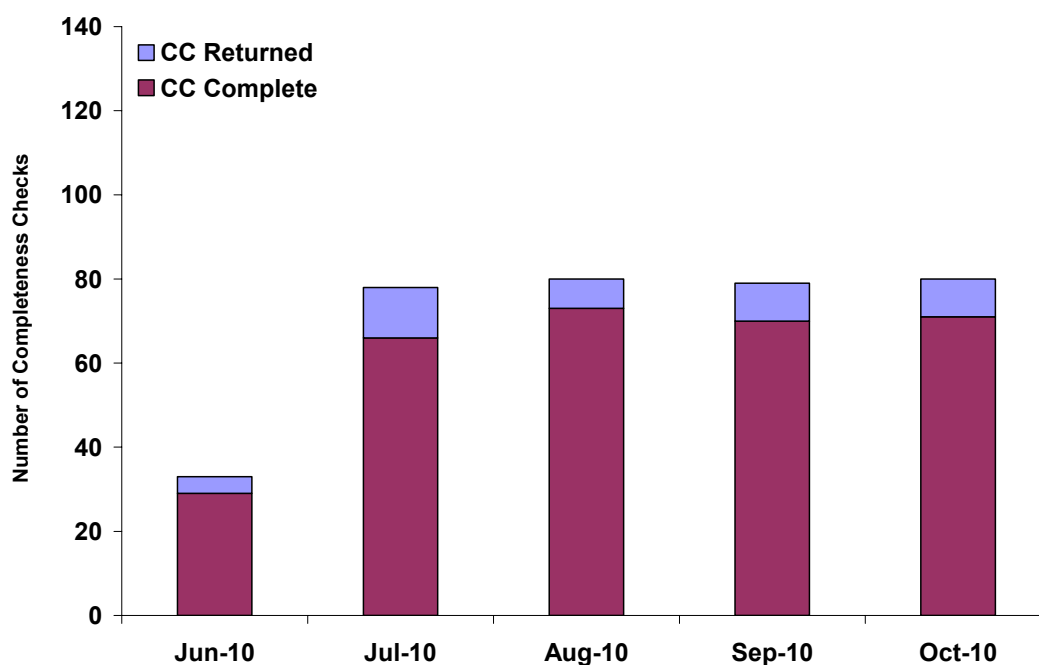


Figure 8: Completeness checks for requests for issuance of CERs.



22. Similar to the figures above, figures 9 and 10 below provides an overview of the information and reporting checks performed in the July-October period. For registration cases, about 27 per cent of all submissions that pass the initial completeness check are returned to the

PP/DOE for corrections. Issuance cases experience a somewhat lower rate of corrections where about 21 per cent of cases that pass the initial completeness check are returned for corrections.

Figure 9: Registration information and reporting checks.

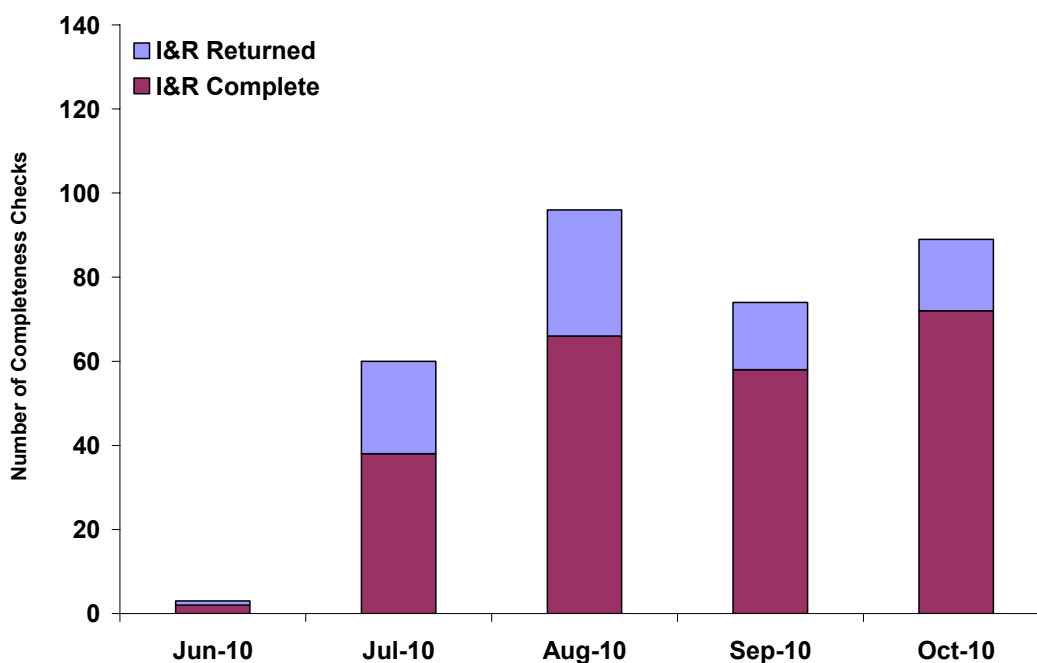
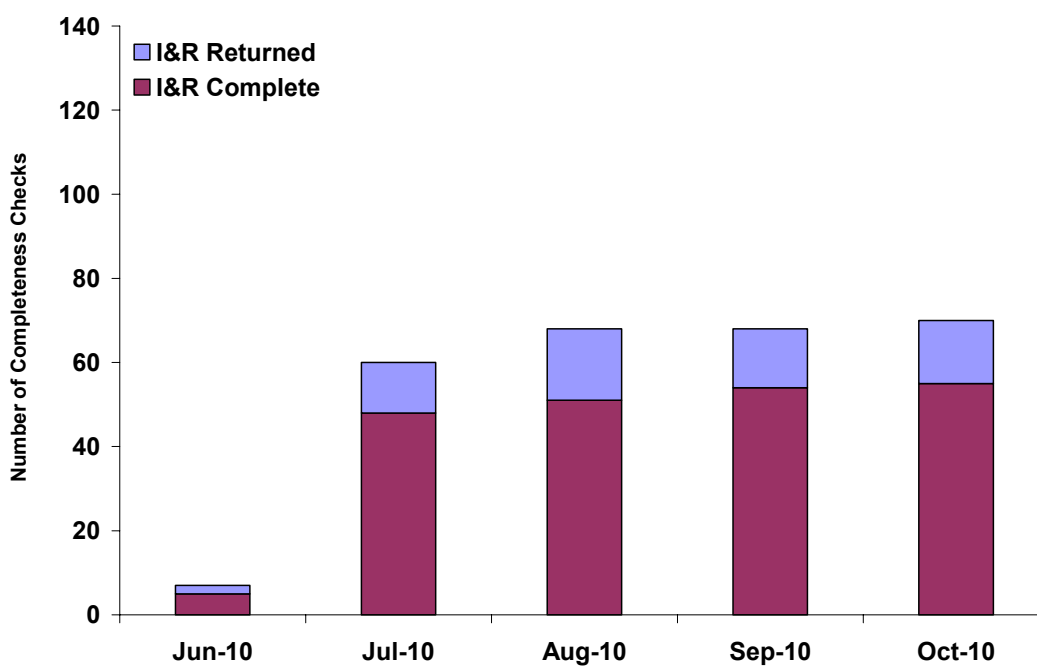


Figure 10: Issuance information and reporting checks.



23. At its fifty-sixth meeting, the Board requested the secretariat to also provide a detailed analysis of the reasons for why project submissions are returned for corrections. The secretariat therefore has collected all reasons for all project submissions for registration and issuance that were returned to PP/DOEs for corrections since implementation of the new procedures. Table 1, below shows a summary of the reasons project submissions were returned for corrections. A comprehensive list of all submissions and all reasons for rejections are provided in a separate note published on the CDM website¹. Figure 11, below also shows an overview of the number of issues raised in rejections for both registration and issuance. The detailed data on the CDM website suggest that there are a few cases where problems could have been resolved without sending the project back for corrections, but in most cases, the reason is either significant enough or combined with the other reasons for returning a project for corrections. Overall, the implementation of the registration and issuance procedures and the associated check list for completeness check appears to have been adequately followed by the secretariat in its assessments during the initial completeness checks.

Table 1: Reasons for returning project submissions during the initial completeness check

	Registration	Issuance
Incomplete Documentation ¹	10	6
Incomplete Information ²	21	6
Inconsistent information ³	17	44
Other ⁴	13	10
Total Errors	61	66
Number of requests rejected	44	42

1. Information missing in the submission such as spreadsheets, LoA, Annexes

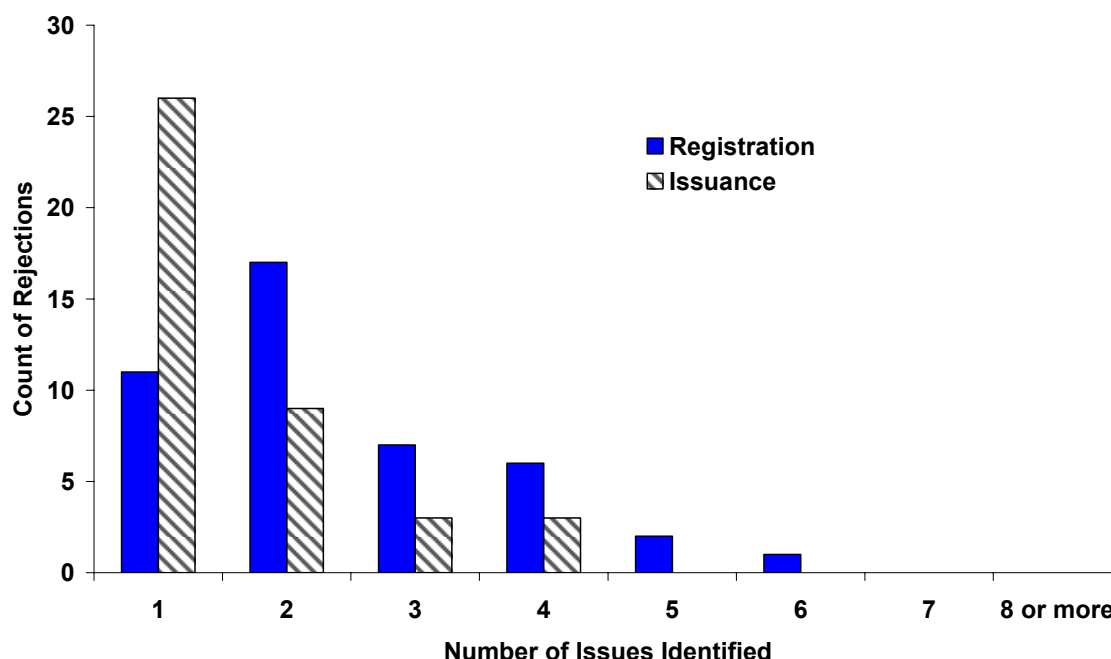
2. Submitted information is incomplete such as missing tables for ER calc, methodology version, information partly not in english

3. E.g. regarding emission reduction, methodology version, monitoring periods, etc

4. E.g. documents not in english, password-protected documents, incorrect forms

¹ <<http://cdm.unfccc.int/index.html>>.

Figure 11: Number of reasons cited in project submissions returned for corrections at the initial completeness check stage



24. Table 2 below shows a summary of the reasons project submissions were returned for corrections during the information and reporting check stage. As suggested by the categories listed in Table 2 the reasons for returning project submissions are different between registration and issuance submissions. Separate reasons were therefore identified for registration and issuance. Figure 12, below also shows an overview of the number of issues raised in rejections for both registration and issuance for projects returned to the PP/DOE at the information and reporting check stage. The detailed data on the website suggest that there are a few cases where problems could have been resolved without sending the project back for corrections, but in most cases, the reason is either significant enough or was combined with other reasons for returning the project for corrections. In addition, reasons raised in the rejections at this stage sometimes also include issues from the initial completeness checks as the rejections were combined into one for some cases. This is the case in particular for registration and a contributing factor to why some rejections include a large number of reasons. Overall, the implementation of the registration and issuance procedures and the associated check list for the information and reporting check appears to have been adequately followed by the secretariat in its assessments during the information and reporting check stage.

Table 2: Reasons for returning project submissions during the information and reporting check stage

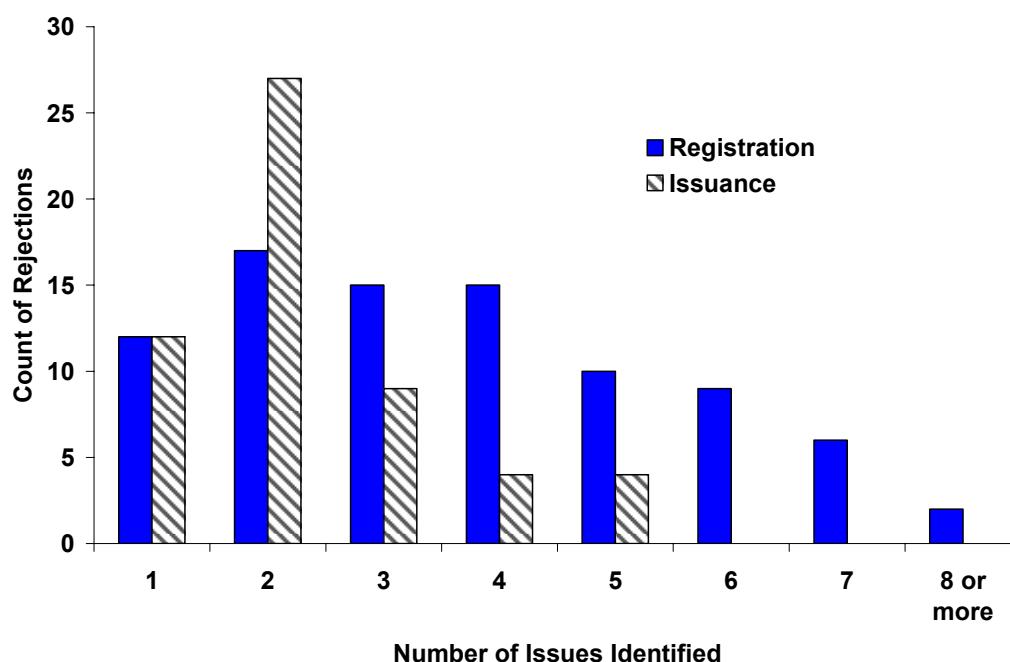
Registration*		Issuance	
Issue	Occurrence	Issue	Occurrence
Additionality	73	Incomplete/Inconsistent - Calibration	34
Baseline	35	Monitoring parameter reporting incomplete	20
Monitoring	25	Emission Reduction Calculation	18
Document Authenticity	6	Verification missing **	20
Other***	59	Monitoring system - Missing Information	6
		No comparison of estimated and actual CERs	5
		Other	15
Total	198		118
Number of rejected requests	86		56

* Identified categories refer to missing information, missing, insufficient or unclear validation or input values pertaining to each of the categories

** No verification that project was implemented as per PDD and/or that the monitoring plan is in line with the methodology

*** This category also includes completeness check issues that were identified during the information and reporting check stage

Figure 12: Number of reasons cited in project submissions returned for corrections at the information and reporting check stage



25. Tables 3 and 4, provide a summary of the number of registration and issuance requests, broken down by DOE. The table shows the percentage of cases for each DOE that were returned for corrections at the completeness check and information and reporting check stage. As can be seen, the degree to which projects are returned varies significantly among DOEs and some DOEs have experienced a very high rate of rejections. Even DOEs with a relatively high number of submissions experience a relatively high level of rejections, indicating that a larger number of



submissions does not necessarily equate to quality submissions. However, as discussed above, it is still somewhat early to draw conclusions from this data since many of the cases considered were submitted prior to the adoption of the revised registration and issuance procedures (and their corresponding check lists). The details in terms of which projects, DOE and the reasons can be found in the detailed data that has been published on the CDM website².

Table 3: Requests for registration considered during June through October 2010 by DOE

	Total Requests	Returned During Completeness Check	Returned during I&R check
AENOR	10	30%	20%
BVQI	32	16%	34%
CEC	8	0%	25%
China Quality	3	0%	33%
DNV-CUK	134	9%	12%
emc	1	0%	0%
ERM-CVS	10	40%	20%
Germanischer	2	50%	0%
ICONTEC	5	60%	0%
JACO	7	14%	14%
Japan Management	1	0%	0%
JCI	17	0%	29%
JQA	2	0%	0%
KEMCO	9	0%	22%
KFQ	8	13%	0%
LRQA Ltd	7	0%	14%
RINA	7	14%	14%
RWTUV	52	8%	17%
SGS-UKL	52	4%	15%
SIRIM	4	0%	50%
SQS	4	50%	25%
TECO	4	0%	0%
TUEV-RHEIN	41	0%	20%
TUEV-SUED	57	11%	25%

² <<http://cdm.unfccc.int/index.html>>.

Table 4: Requests for issuance considered during June through October 2010 by DOE

	Total Requests	Returned During Completeness Check	Returned during I&R check
AENOR	2	100%	0%
BVQI	51	4%	4%
CEC	6	0%	50%
China Quality	2	0%	0%
DNV-CUK	128	11%	27%
ERM-CVS	11	18%	0%
Germanischer	2	0%	50%
ICONTEC	3	0%	33%
JACO	6	83%	0%
JCI	1	0%	100%
JQA	3	0%	0%
Korean Standards Association	3	33%	33%
LRQA Ltd	2	0%	0%
RWTUV	29	17%	14%
SGS-UKL	103	5%	8%
TECO	2	0%	0%
TUEV-RHEIN	6	50%	0%
TUEV-SUED	13	8%	31%

IV. Meeting the longer term need for transparent, predictable and timely assessments of project submissions

26. This section provides an overview of the secretariat's immediate plan to reduce the waiting time for project related submissions and a view to how timely consideration of submissions can be ensured going forward.

27. Procedures related to registration and issuance have been improved. However, despite secretariat efforts to date, including recruitment, re-organization, and using external experts, to increase the processing of project submissions, there is still a significant waiting time associated with new project related submissions. So far, efforts have largely relied on existing staff that has simply increased their efforts beyond levels that are sustainable in the longer term. It is therefore essential to find a balance that ensures that the backlog is eliminated as soon as possible and that timely project consideration are ensured in the long term.

28. For assessments of requests for registration of project activities, the secretariat has made substantial progress in reducing the waiting time for new project submissions, from over 3 months in June 2010, to just over 2 months in mid October, 2010. In a final push to eliminate the registration backlog, the secretariat is further stepping up its efforts in November and is expecting to have reduced the waiting time for new project submissions to 30 days or less by the end of November or early December. The drawback of this significant effort is that the consideration of review cases during November will be limited. While the secretariat recognizes that this effort



will somewhat increase the waiting time for review cases to be considered, the secretariat believes that these delays will be short-lived.

29. The final push to reduce the waiting time for requests for registration, as discussed above, together with an increase in staff supporting the registration of project activities, is expected to create a situation from January 2011 and onwards where project submissions and secretariat capacity to assess these submissions is well aligned and sustainable throughout 2011, unless the number of requests for registration increases significantly.

30. For the assessment of issuance requests, the situation is different. As discussed above, the level of submissions is higher than expected and although the secretariat staff has been conducting assessments at a level beyond what is sustainable in the long term, the backlog has been increasing. Further additions of staff towards the end of 2010, in line with the 2010 management plan will help to alleviate the situation but will not eliminate the backlog in the short term and is insufficient to achieve a long term balance.

31. To address the immediate and urgent need to eliminate the backlog of pending cases, the secretariat is therefore planning to bring in temporary staff and experts on a consulting basis during December to dramatically increase the number of issuance cases considered. In addition, given the high priority of reducing the backlog, several staff have been reassigned from other units within SDM to work on project assessments over the course of the next two months. As a result of these various efforts and actions, the secretariat expects that the waiting time associated with new requests for issuance of CERs will be reduced to 30 days or less by January of 2011.

32. As mentioned above, the secretariat has taken a number of efforts which are expected to assist in expeditiously addressing the backlog in the near term. Table 5 provides an indication of the expected near term processing of project submissions. The table clearly shows the efforts that the secretariat is planning to make before the end of the year.

Table 5: Projections for submissions and secretariat assessments during November and December, 2010

	Number of Submissions Awaiting Commencement as of 22 October, 2010	Expected Submissions 22 October, 2010- 31 December, 2010	Expected Commencements until 31 December, 2010	Expected Number of Cases Awaiting Commencement by 1 January, 2011
Registration	234	180	340	74
Issuance	312	200	450	62

33. To achieve a longer term balance and to ensure that the secretariat can provide a timely assessment of projects, the secretariat recommends that the Board considers further improvements and clarifications of its rules and guidelines. Improvements that the Board may wish to consider include:

- (a) Introducing means to speed up the assessment of issuance requests, such as the introduction of a risk-based approach for project assessments;



- (b) Simplify and improve methodologies in order to improve the understanding and clarify applicability;
- (c) Increase the number of forms that are completed and submitted through the CDM information system with a view to speed up the submission and assessment process for both the secretariat and the PP/DOE.

34. The appendix to this note contains an elaboration of these possible improvements. The Board may wish to consider these possibilities and as appropriate provide guidance to the secretariat in how to further improve upon the process of project assessment.

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Appendix

Ensuring long-term sustainability of project assessments

I. Background

1. The continuing success of CDM has created a rapid increase in the numbers of projects being registered by the Board in the past two years. This consequently results in the increase in the requests by project participants for issuance of certified emission reductions (CERs) generated by these project activities. In addition, projects already registered continue to generate emission reductions and submit requests for issuance of their CERs.
2. As highlighted in the main body of this report, the number of submitted requests for registration tend to be steady for the first part of 2010, however, the number of submitted requests for issuance has increased significantly by 44 per cent in the first nine months of 2010, compared to the same period last year. This has a significant impact on the work of the secretariat and the Executive Board.
3. Further, the report indicates that processing capacity within the secretariat is just barely enough to deal with the current rate of registration submissions, but not sustainable at current rates of issuance submissions. Although the secretariat is currently undertaking assessments of requests that far exceed the CDM management plan (CDM-MAP) expectations, the level of submissions is also significantly higher than expected, leading to delays in the processing of these submissions.
4. Continual increases or additions of resources to cope with the growing submissions is not an efficient and sustainable way to address the problem. Therefore, there is an urgent need to create a medium/long term sustainable situation which would result in a streamlined and efficient assessment of projects and which can deliver according to the expected quality standards and timelines of the Board.

II. Approaches

A. Risk-based assessment

5. Risk-based assessment is a type of assessment where users may allow specific risk factors to determine the scope and evidence required in the assessment. This approach has been widely used in the auditing and financial world. In the context of assessment of projects, risk-based approach can be used in two ways, prioritisation of assessment of project submissions and re-defining the expectation of level of assessments.
6. Throughout past few years of experience in the assessment of project submissions, the Board has gained a wealth of information on submissions that passed all the requirements set by the Board and are registered/issued automatically, as well as those which needed to be reviewed by the Board. This assorted data would allow the analysis of the nature of submissions in relation to their probability of having passed all requirements set by the Board or having recurring issues leading to request for review by the Board. Such characterisation may relate to a number of variables such as designated operational entities (DOEs) performing the validation or verification function, complexity of methodology being used, historical compliance to Boards requirement, periodic requests (applicable only for requests for issuance), etc.
7. The analysis will result in a profiling of submissions classified into several categories of risks, from high to low risk. This in turn could be used to prioritise the assessment of projects,

i.e. focusing secretariat efforts to assess submissions that are in medium and high-risk category and only perform selected (random) assessments for submissions in low-risk category.

8. The risk-based approach can also be used to determine the level of assessment on project submissions. This is done by taking into account how the different aspects contribute to the desired outcomes (projects being additional and in compliance with methodology, or correct total emission reductions being claimed) and the probability of the non-compliance occurring, and assigning risk level to different types of submissions. The risk level will determine the level (depth and breadth) of the assessment by the secretariat on the respective submissions. Time spent for assessing submissions with low-risk characteristics will be much less than for those with high-risk, thereby, reducing time for processing in overall.

B. Defining monitoring period intervals

9. Currently there is no minimum period intervals that can be covered in a monitoring period, i.e. project participants are at liberty to submit the request for issuance based on any length of time they wish to cover. This has resulted in requests for issuance that cover monitoring periods as short as fifteen to thirty, which in turn caused more frequent requests for issuance being submitted. Although CDM modalities and procedures do not specifically stipulate how long a monitoring period should be before a request for issuance can be submitted, the Board may wish to consider setting the minimum interval for the monitoring period.

C. Allowing the bundling of issuance requests

10. A significant portion of the current volume of requests for issuance results from multiple simultaneous submissions for identical or similar registered project activities, e.g. animal waste management projects in Brazil and Mexico, wind/hydro project activities in China. Allowing a DOE to bundle their verification activities under a single request for issuance would reduce the volume of submissions.

11. The bundling of issuance requests with other processes where appropriate, such as minor amendments of monitoring plan and project design document (PDD), would also reduce the volume of individual submissions and assessments. At present each request/notification of a change from PDD and request for revision of monitoring plan must be submitted, processed and assessed prior to the submission of the associated request for issuance. Integrating these processes, where possible, into the verification cycle would reduce the volume of individual assessments required in the regulatory process.

D. Standardizing and digitizing key elements of project related submissions

12. The current assessment process for DOEs, the secretariat and for Board members, is complicated by the fact that a large quantity of the information and data to be assessed is not submitted in a standardized format and results in the core information being difficult to extract for some cases. Solutions to this problem would involve:

- (a) Improving the format of existing templates for PDDs and monitoring reports, including defining how the core information can be more easily extracted for analysis;
- (b) Introducing templates for validation and verification reports to ensure that the required information is submitted in a standardized manner;



- (c) Introducing digitized forms to allow for full data capture, this could be phased in on an incremental basis by methodology.

E. Simplifying methodologies and related requirements

13. In the area of validation/registration in particular the complexity of additionality and other methodological requirements increase significantly the extent of the assessment required to assess/confirm compliance. Recent simplifications in this area, such as the simplified approach to additionality for micro-scale projects, will reduce the assessment burden for DOEs and the secretariat and if extended to other areas can result in a more streamlined assessment process.

14. Work that is ongoing in this regard includes:

- (a) A new Tool for baseline selection;
- (b) New approaches to the demonstration and assessment of additionality, which place a focus on objective criteria such as common practice analysis;
- (c) Review of existing methodologies to remove or simplify overly specific requirements and ensure consistency of approaches between methodologies.

III. Proposed areas for further work

15. To facilitate further consideration by the Board, the secretariat could prepare as part of the CDM-MAP 2011, for consideration at EB59, a comprehensive workplan that will deliver the following tasks/products:

- (a) Revised relevant standards, procedures, or guidelines to place minimum limits for the length of a monitoring period and allow multiple similar requests for issuance to be bundled;
- (b) Standardized templates for validation and verification reports;
- (c) Analysis of potential approaches to risk-based assessment with a proposed “Procedure for assessment of requests for registration and issuance” incorporating such approaches.

16. In addition the secretariat would continue to:

- (a) Explore means to enhance the digitization of the project related submissions, in particular monitoring reports for key methodologies;
- (b) Propose simplifications to methodological requirements, without compromising the environmental integrity of the mechanism.

17. [In parallel with the workplan outlined in annex 7 to the annotated agenda of the fifty-eighth meeting additional streamlining of procedural requirements related to monitoring, verification and issuance could be undertaken in the first quarter of 2011.]

IV. Expected from the Executive Board

18. The Board is requested to

- (a) Discuss the various approaches to improving the sustainability of the assessment process;



- (b) Provide feedback on the suitability of the approaches;
- (c) Mandate the secretariat to prepare a comprehensive workplan as indicated in paragraph 15 above.

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