



## Annex 5

### CONCEPT NOTE ON IMPROVED SYSTEM TO PREDICT LONG-TERM SUBMISSIONS

(Version 01.0)

#### I. Background

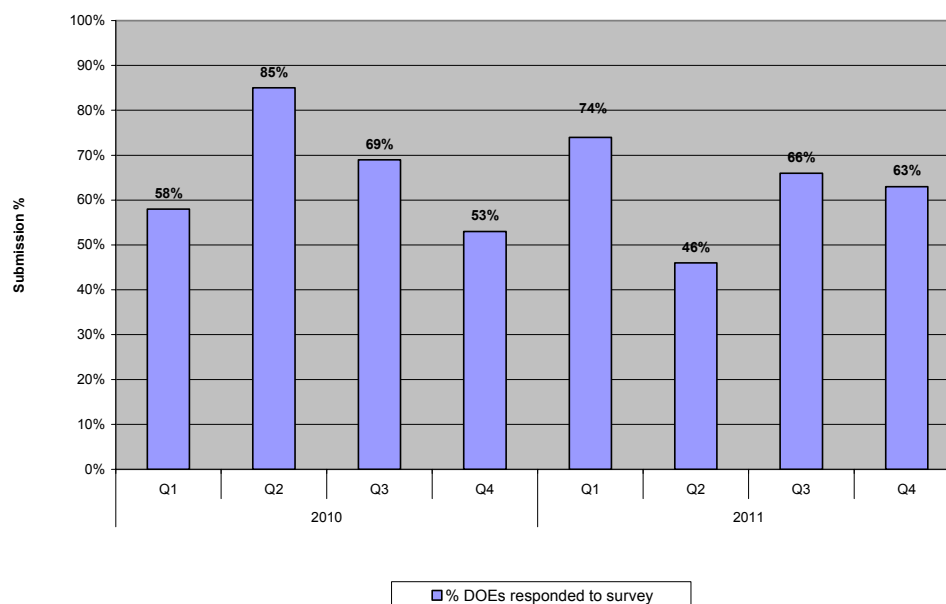
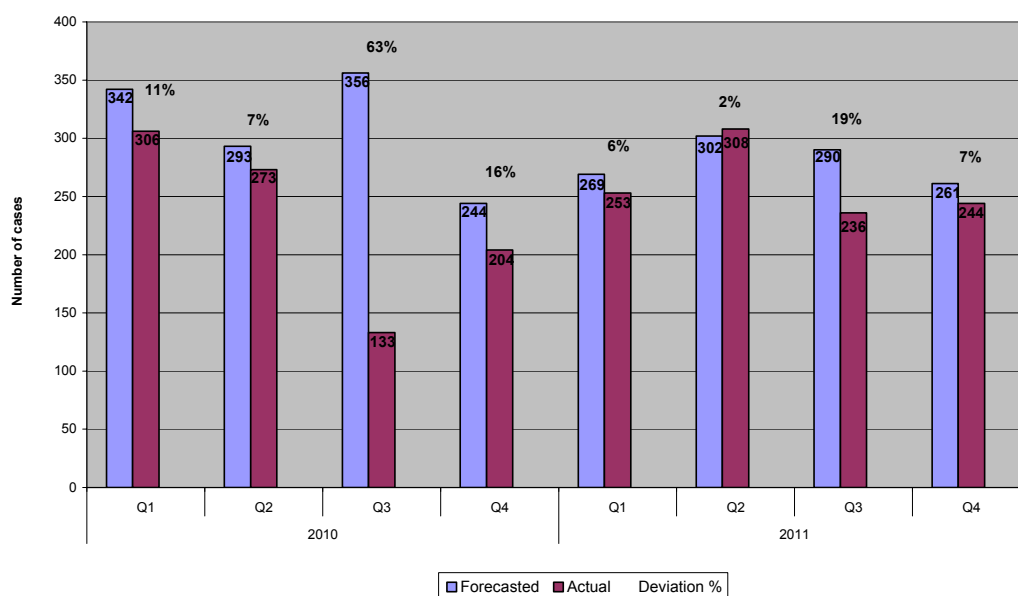
1. As described in the draft CDM Business Plan 2012, it is expected that the volume of requests for registration and issuance submitted to the Board will continue to increase in this year. This requires an effective management plan to ensure that sufficient operational capacity in the secretariat is available to deal with the increased submissions and to ensure that the processing of submissions is conducted in a timely and efficient manner.
2. In order to effectively plan resources to deal with future submissions (medium to long term), a system that can capture a leading indicator and provide an advanced warning is needed.
3. The DOE survey is an on-line survey managed by the secretariat with an aim to collect information with regard to submissions of requests for registration and requests for issuance forecasted by Designated Operational Entities (DOEs). The results of the survey are meant to serve as a leading indicator for projecting medium to long term submissions of requests for registration and issuance coming to the secretariat, which in turn can be used as a basis for planning and management of resources to deal with the anticipated submissions.
4. This survey has been conducted for a number of years since 2008. Every three months DOEs are being asked to submit their quarterly forecast submissions for both requests for registration and issuance for the following 12 months from the time the survey was launched. This results in a rolling 12 month forecast, updated every three months.
5. This documents provides the Board with a report on how the survey has been conducted and recommends improvements to anticipate future submissions.

#### II. Observations from quarterly DOE surveys

6. The secretariat reviewed information on forecasted submissions by DOEs submitted via the on-line survey conducted in 2010 and 2011. During this period it was observed that in overall only 60% of accredited DOEs submitted the requested information to the secretariat on regularly basis (see Figure 1 below). At the same time the number of DOEs has increased from 26 in January 2010 to 38 in October 2011.
7. The secretariat further compared forecasted number of submissions based on DOEs who responded to the surveys and the actual submissions for the corresponding DOEs. In order to consider a meaningful impact to the workload of the secretariat and the Board, the analysis was conducted only when the difference between forecasted and actual submissions (either more or less) is at least 10. Figure 2 and Figure 3 present the comparison for requests for registration and requests for issuance, respectively.
8. It can be seen from Figure 2 that in 2010 and 2011, the actual number of requests for registration in general were fewer than forecasted. With the exception of a period with significant differences in the third quarter of 2010, the results suggest that the average variation between forecasted and actual submissions of requests for registration is around 10%. There is no information on reasons of significant drop in submissions of requests for registration in the third quarter of 2010.

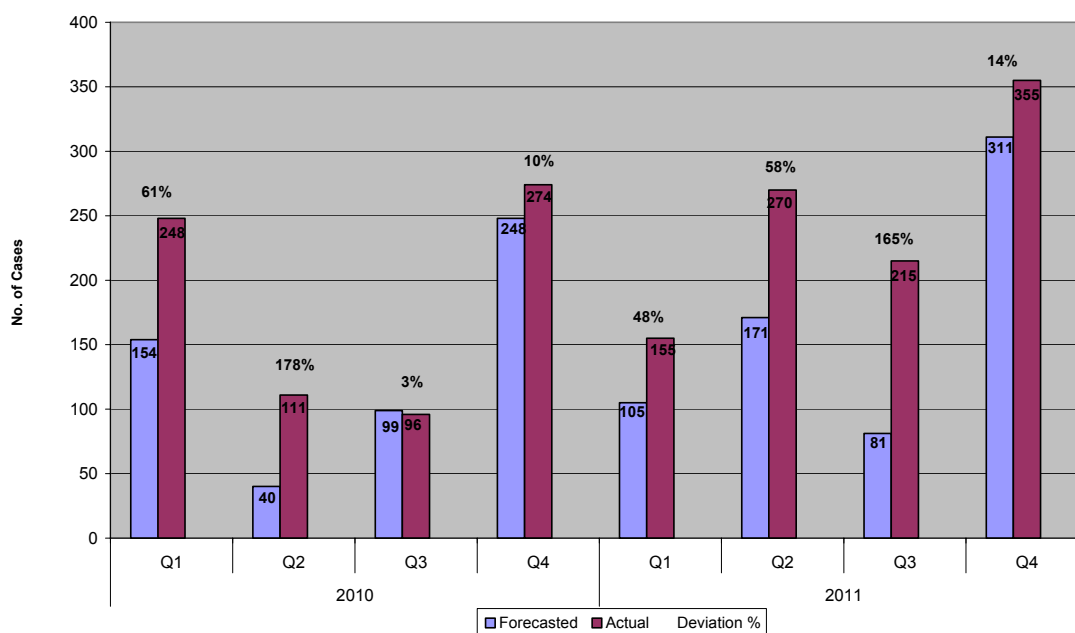


Figure 1. DOE Quarterly Survey - Submission Rate

Figure 2. DOE Survey -Forecasting accuracy - requests for Registration  
*DOEs with minimum difference of 10 total submissions per quarter*

9. For requests for issuance, the opposite trend was observed, where in general the actual submissions were higher than forecasted submissions. During 2010-2011, the difference between forecasted and actual values varied between 3% to 165%. This high variability may indicate some level of difficulty for DOEs in forecasting the submissions of requests for issuance.

**Figure 3. DOE Survey -Forecasting accuracy - requests for Issuance**  
*DOEs with minimum difference of 10 total submissions per quarter*



10. Further, no trend is observed to conclude that the reduction in actual number of requests for registration submitted is compensated by the corresponding increase in the actual submission of requests for issuance. This highlights that the past issue of shifting DOEs capacity from validation work to verification work or vice versa cannot be confirmed.

11. The observation highlights two main issues with the DOE submissions of the quarterly survey so far:

- Not every DOE submitted the requested information on regular basis;
- The information submitted by DOEs for requests for issuance are not as a reliable and accurate as expected;

### III. Recommendations for Improvement

12. Based on the current observation, the Board may wish to consider:

- Make completion of the survey mandatory for all accredited DOEs;
- Encourage DOEs to improve the accuracy of their forecast;



- (c) Formulate actions to be taken by the Board and/or the secretariat in the event that DOEs do not comply with this proposed requirement (for example: delays in responses will be recorded, failures to respond to adequate reminders may warrant a serious action by the Board).
13. To ensure the effective use of the results of the surveys in planning resources to deal with future submissions, it is also recommended that the frequency and the duration period of the survey are modified as follows:
- (a) Surveys will be conducted only twice a year at the beginning of the second quarter (April) and the beginning of the fourth quarter of the year (October);
- (b) The period for which forecasted submissions are to be provided in the survey is for a six month period starting three months following the time of the launch of survey, i.e. survey launched in April is for forecasted submissions for period July-December, and the October survey is for the subsequent January-June period.
14. Secretariat shall regularly report to the Board the implementation of the survey.

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**History of the document**

Version	Date	Nature of revision(s)
01.0	EB 66, Annex # 02 March 2012	Initial publication.
<b>Decision Class:</b> Operational <b>Document Type:</b> Information Note <b>Business Function:</b> Governance		