

**CDM-EB79-AA-A03**

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# Sixth analysis report to the CDM Executive Board on the results of DOE performance monitoring

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

## COVER NOTE

### 1. Procedural background

1. The Executive Board of the clean development mechanism (hereinafter referred to as the Board) at its fifty-eighth meeting adopted the “Procedure on performance monitoring of designated operational entities” and subsequently revised the procedure at its seventy-fourth meeting. The procedure provides for regular reporting to the designated operational entities (DOEs), the Accreditation Panel (CDM-AP), the Board and the public on the performance of individual DOEs, to allow the DOEs to take actions in the areas where most of the issues were identified, to allow the CDM-AP to have better planning of its assessment of DOEs and to inform the Board and the public on the performance of individual DOEs.<sup>1</sup> The procedure requires that the Board be provided with an analysis report on DOE performance providing potential proposals for system-wide improvement.
2. This report provides information and analysis of DOE performance and proposals for system-wide improvement based on submissions of requests for registration, issuance and post-registration changes (PRC) since the first monitoring period from 1 January 2010 until the eighth monitoring period to 31 August 2013 and based on data finalized as of 28 February 2014 and published on 1 April 2014.

### 2. Purpose

3. The purpose of this report is to provide the Board, as the final decision-making body of the clean development mechanism (CDM), on a biannual basis, an analysis report on DOE performance containing:
  - (a) Information, trends and analysis on the long-term performance of the DOEs;
  - (b) Detailed analysis of the issues arising from DOE performance, especially those identifying shortcomings in CDM requirements, procedures and guidance;
  - (c) Potential broad proposals for system-wide improvement via identification of issues where guidance or requirements lack clarity or are non-existent.

### 3. Impacts

4. This report is expected to provide enhanced data analysis and feedback to DOEs, the panels and the working groups and the Board for appropriate decision-making, enhance the transparency, objectivity and efficiency of the CDM, with the longer-term objective of improving the performance of the DOEs and facilitating an overall system-wide improvement.

### 4. Recommendations to the Board

5. The secretariat recommends that the Board take note that this analysis will feed into future improvements to the CDM regulatory framework as appropriate.

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<sup>1</sup> <<http://cdm.unfccc.int/Reference/Notes/index.html#accr>>.

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## 1. Introduction

1. The Executive Board of the clean development mechanism (hereinafter referred to as the Board) at its fifty-eighth meeting adopted the “Procedure on performance monitoring of designated operational entities” and subsequently revised the procedure at its seventy-third meeting. The procedure requires that the Board be provided with an analysis report on performance of designated operational entities (DOEs) providing potential proposals for system-wide improvement.
2. The present report is the sixth of such reports. It summarizes and analyses the findings from the first until the eighth monitoring periods running respectively: 1<sup>st</sup>, from 1 January 2010 to 30 June 2010; 2<sup>nd</sup>, from 1 July 2010 to 31 December 2010; 3<sup>rd</sup>, from 1 January 2011 to 30 June 2011; 4<sup>th</sup>, from 1 July 2011 to 31 December 2011 (accounting for data and submissions finalized as of 30 September 2012); 5<sup>th</sup>, from 1 January 2012 to 30 June 2012 (accounting for data and submissions finalized as of 31 March 2013); 6<sup>th</sup>, from 1 July 2012 to 31 December 2012 (accounting for data and submissions finalized as of 30 September 2013); 7<sup>th</sup>, from 1 January 2013 to 30 April 2013 (accounting for data and submissions finalized as of 31 January 2014); and 8<sup>th</sup>, from 1 May 2013 to 31 August 2013 (accounting for data and submissions finalized as of 28 February 2014).
3. The trends observed in the first and second monitoring periods of 2010, 2011, 2012 and 2013 are similar, and therefore for the present report the data from the first and second monitoring periods of each year were combined. Hence, it is possible to analyse the performance of the DOEs for the years 2010, 2011, 2012 and up to August 2013, as well as compare them with each other.
4. This report provides:
  - (a) Information, trends and analysis on the long-term performance of the DOEs;
  - (b) Detailed analysis of the issues arising from DOE performance, especially those identifying shortcomings in CDM requirements, procedures and guidance;
  - (c) Potential broad proposals for system-wide improvement via identification of issues where guidance or requirements lack clarity or are non-existent.
5. An overview of the performance of DOEs is provided followed by possible reasons for the trends observed, analysis of the issues raised in requests for reviews or clarifications from DOEs to post-registration changes (PRC) and potential areas of improvements for registration, issuance and PRC, respectively. A more detailed analysis and evaluation of possible options for system-wide improvement providing rationale for the options suggested is provided for registration, issuance and PRC in appendix 1, 2 and 3 respectively.

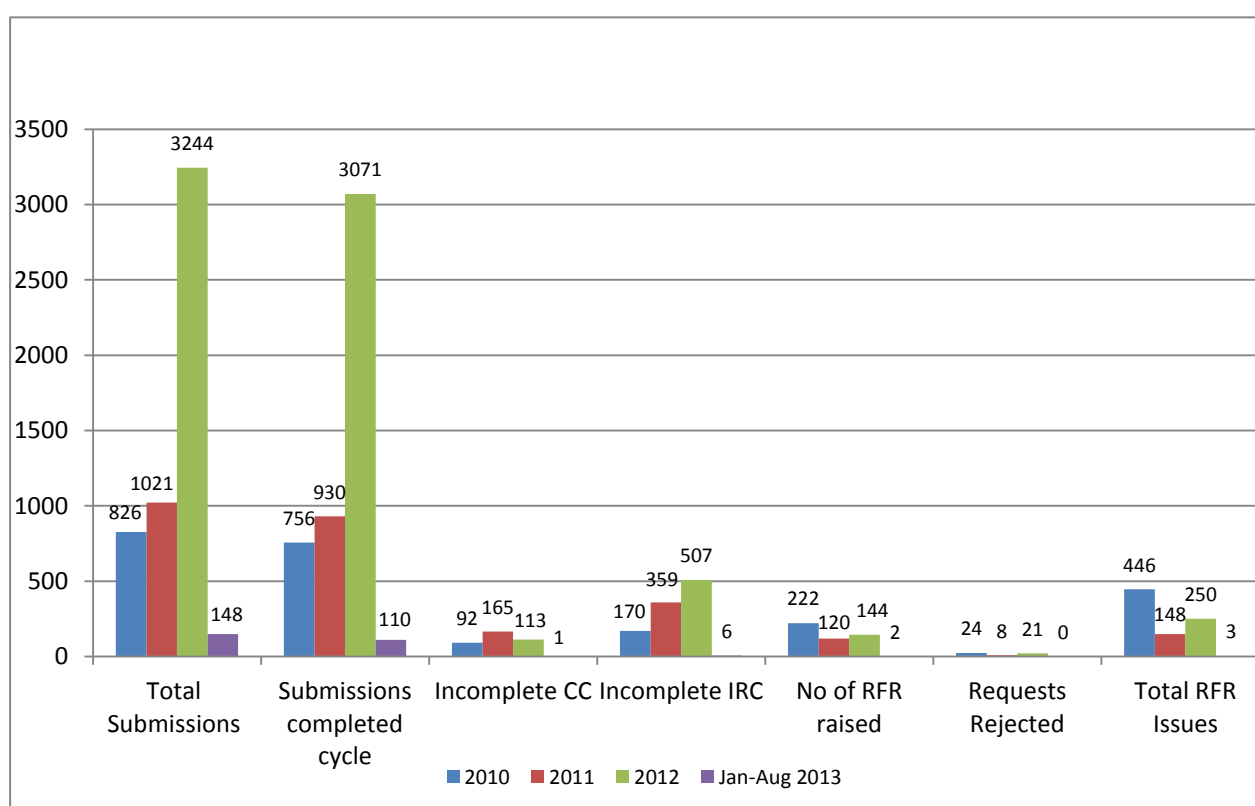
## 2. Analysis of registration

### 2.1. Overview of performance of DOEs

6. A total of 826 requests for registration were submitted in 2010, out of which 92 and 170 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 222 requests for review were raised leading to

446 review issues. In 2011, 1,021 requests for registration were submitted, out of which 165 and 359 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 120 requests for review were raised leading to 148 review issues. In 2012, 3,244 requests for registration were submitted, out of which 113 and 507 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 144 requests for review were raised leading to 250 review issues. In 2013 (up to 31 August), 148 requests for registration were submitted, out of which one and six requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and two requests for review were raised, leading to three review issues.

**Figure 1. Submissions versus processing versus requests for review**

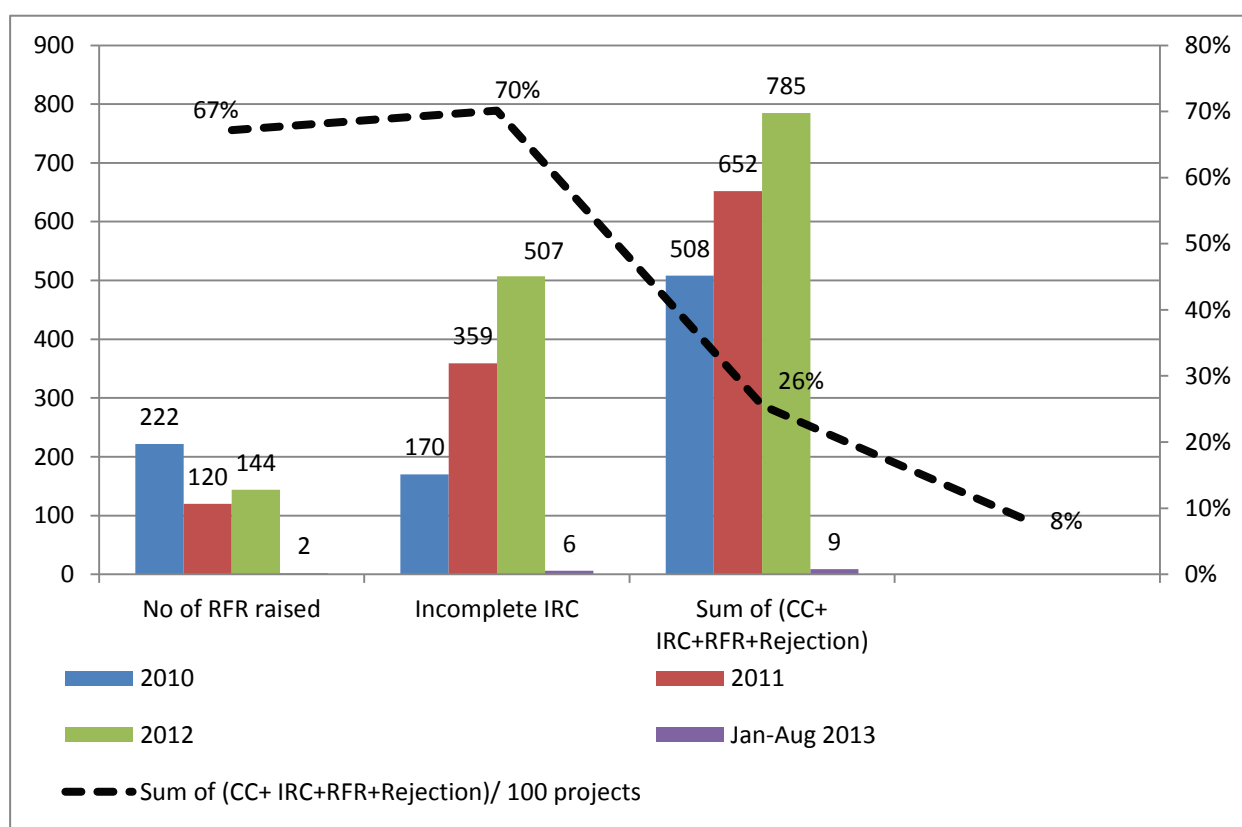


7. In 2013 (up to 31 August) for the seventh and eighth monitoring periods, 110 out of 148 projects were finalized and two requests for review were raised and consequently there are 3 review issues which indicates improvement in the performance of the DOEs. The reasons for the reduction in requests for review are mentioned in section 2.2. In addition, the other reasons are due to the impact of decisions made by the Board at its seventieth meeting (EB 70) where prioritization was given to submissions for registration up to 31 December 2012; at EB 71 where prioritization was then given to issuance cases; and at EB 72 where processing of cases was on a first-come-first-served basis since March 2013, and consequently there have been no request for review issues for the first quarter (Q1) of 2013. For the seventh monitoring period (1 January to 30 April 2013 finalized as of 31 January 2014), 84 requests for registration were submitted, out of which 61 requests were finalized and processed (but with delayed timelines and none of which were processed until Q1 2013, as per the decisions made at EB 70). Therefore, in

the absence of sufficient data, as there are only three request for review issues, no meaningful analysis of request for review issues could be carried out for the seventh and eighth monitoring period, and this explains why the  $I_2$  indicator in the graph in figure 3 below drops to zero.

8. The sum of the number of submissions deemed incomplete at completeness check and information and reporting check, requested for review and rejected by the Board for the years 2010, 2011, 2012 and 2013 (up to 31 August) are 508, 652, 785 and 9, respectively. The sum of the number of submissions deemed incomplete at completeness check and information and reporting check, requested for review and rejected by the Board for every 100 submissions of request for registration (shown by a black dotted line in the graph in figure 2 below) shows a reducing trend from 2010 (67 per cent) to 2013 (8 per cent). This indicates an improvement of overall DOE performance as the number of submissions increase, while the number of requests for review reduces and the number of submissions that are deemed incomplete at information and reporting checks increases.

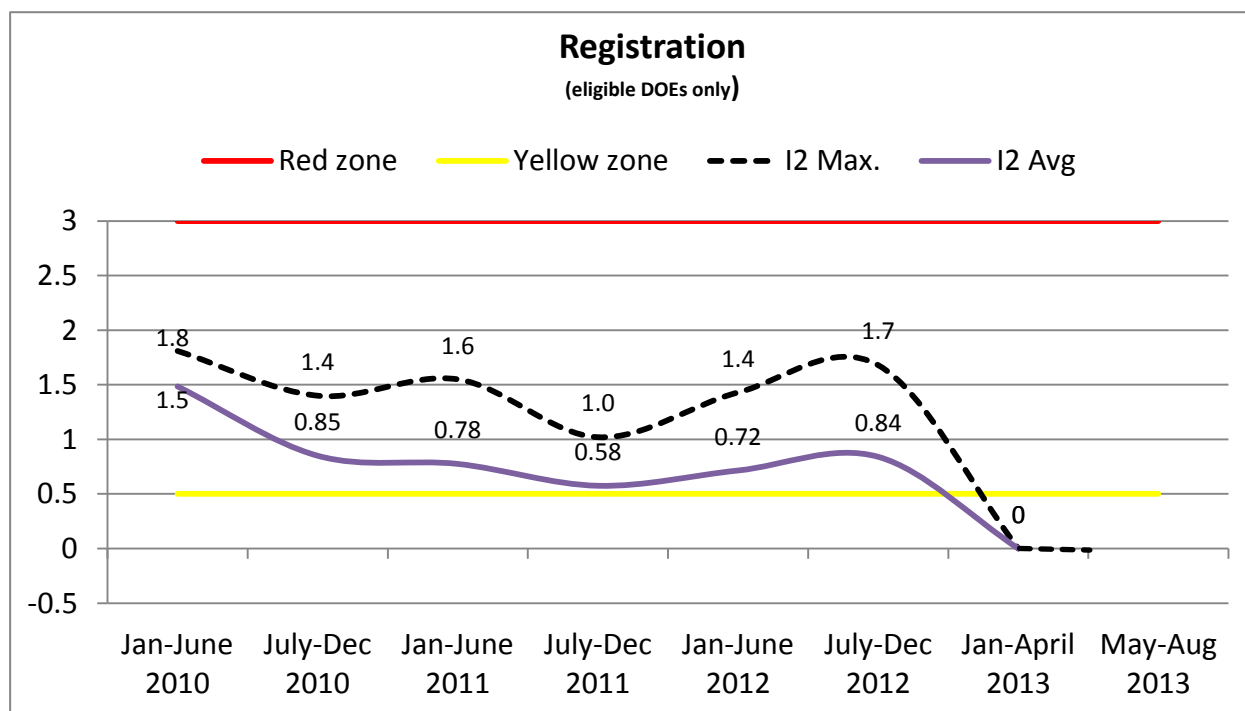
**Figure 2. System-wide trend of sum of number of CC, IRC, RFR and rejections per 100 projects - Registration**



9. The trend of the  $I_2$  Indicator (rate of requests for review) in the registration process for eligible DOEs for monitoring periods running from 1 January 2010 to 31 August 2013 is presented below. The graph in figure 3 indicates that during this period, the maximum value of the indicator  $I_2$  has never crossed the higher threshold and is in the “yellow zone”. Up to 31 August 2013, the value of the  $I_2$  Indicator for all DOEs is lower than 2. The performance of DOEs in 2011, 2012 and 2013 shows a reducing trend of average

value of the  $I_2$  Indicator<sup>2</sup> (rate of requests for review) in the registration process for eligible DOEs by 59 per cent, 50 per cent and 117 per cent, respectively, as compared to 2010.

**Figure 3.  $I_2$  Indicator – trends per monitoring period**



## 2.2. Evolution of performance of DOEs

10. From the data presented above, the overall performance of DOEs is seen to have improved in 2011 as compared to the previous year; the trend for 2012 seems to indicate a more or less stable situation compared to 2011; and the trend for 2013 indicates improved performance as compared to previous years:
  - (a) The performance of DOEs in 2011, 2012 and 2013 shows a reducing trend of average value of  $I_2$  Indicator (rate of requests for review) in the registration process for eligible DOEs by 59 per cent, 50 per cent, and 117 per cent respectively, as compared to the previous year in 2010;
  - (b) While submissions have increased, a significant reduction in the number of request for review issues has been observed: 67 per cent, 44 per cent and 99 per cent in 2011, 2012 and 2013 respectively in comparison to 2010;
  - (c) For the seventh monitoring period: January to April 2013 and the eighth monitoring period: May to August 2013, about 73 per cent and 77 per cent of the projects are finalized, so future periods may change the status of requests of review. The significant reduction in 2013 (up to August 2013) is due to automatic

<sup>2</sup> Indicator  $I_2$  is the rate of requests for review adjusted by weight of the requests: Indicator  $I_2 = \text{SUM (weights of requests for review)}/\text{Number of requests completed}$ .

registrations, but more conclusive results can be determined in future periods when data from the full year is available and as more projects are finalized;

- (d) The sum of the total number of submissions deemed incomplete at completeness check and information and reporting check, that are requested for review and rejected by the Board for every 100 submissions of request for registration, that completed cycle, shows a reducing trend from 67 per cent in 2010, 70 per cent in 2011, 26 per cent<sup>3</sup> in 2012 and 8 per cent in 2013 (up to 31 August). This indicates an improvement of the overall DOE performance as the total number of submissions that are incomplete at CC and IRC stage, requests for review and rejections have reduced, while the number of submissions increases. This indicates the increasing maturity and improvement in the performance of the CDM system, where the focus of the improvement in assessment has shifted from the end of the pipeline to the beginning of the pipeline as more issues are detected earlier in the project cycle at the information and reporting check stage as compared to the request for review stage.
11. The main reasons for the observed improvement in the performance of DOEs may be due, in addition to potential external factors, to the following:
- (a) New, improved and revised guidance/documents being provided by the Board through improved procedures, methodologies and tools, including the improvements made in the accreditation system, particularly requiring specific expertise to be used by DOEs for complex technical areas;
  - (b) Enhancement in DOE interaction through various workshops and interactions;<sup>4</sup>
  - (c) Organization of training across various regions;
  - (d) Increase in overall experience and skills of the DOEs over a period of time;
  - (e) Introduction of information and reporting checks<sup>5</sup> which detect issues related to information, reporting, repetitive and recurring “Summary Note” issues, earlier in the process prior to publication of the submitted requests; and a significant reduction in specific request for review issues (e.g. issues related to grid emission factor, wind/hydro tariff issues for projects from China, E<sup>+</sup>/E<sup>-</sup> issues, etc.) subsequent to the availability of Board guidance;
  - (f) Implementation of the Project cycle procedure (PCP), Project standard (PS), and Validation and verification standard (VVS) since 1 May 2012, and also improvement and revision of some methodologies and tools may also have had a positive impact on the indicator I<sub>2</sub>;

<sup>3</sup> Example: For 2012, 3,071 submissions (see figure 1) that completed the cycle yielded 785 (incomplete CC = 113, IRC= 507, RFR= 144 and rejected requests= 21) (see figure 2) equating to 26 per cent.

<sup>4</sup> DOE tele/web-conference, interaction of the DOE/AIE Coordination Forum with the Board and the CDM-AP, DOE dedicated email account.

<sup>5</sup> The revised guidelines of the completeness check, included checking of reporting requirements, implemented from 1 September 2009 (EB 48 reports, paras. 62 and 75), which later turned into a two-step process, completeness check (CC) and information and reporting check (IRC) from early 2010 as per the Board’s decision (EB 54, annexes 28 and 35 dated 28 May 2010).



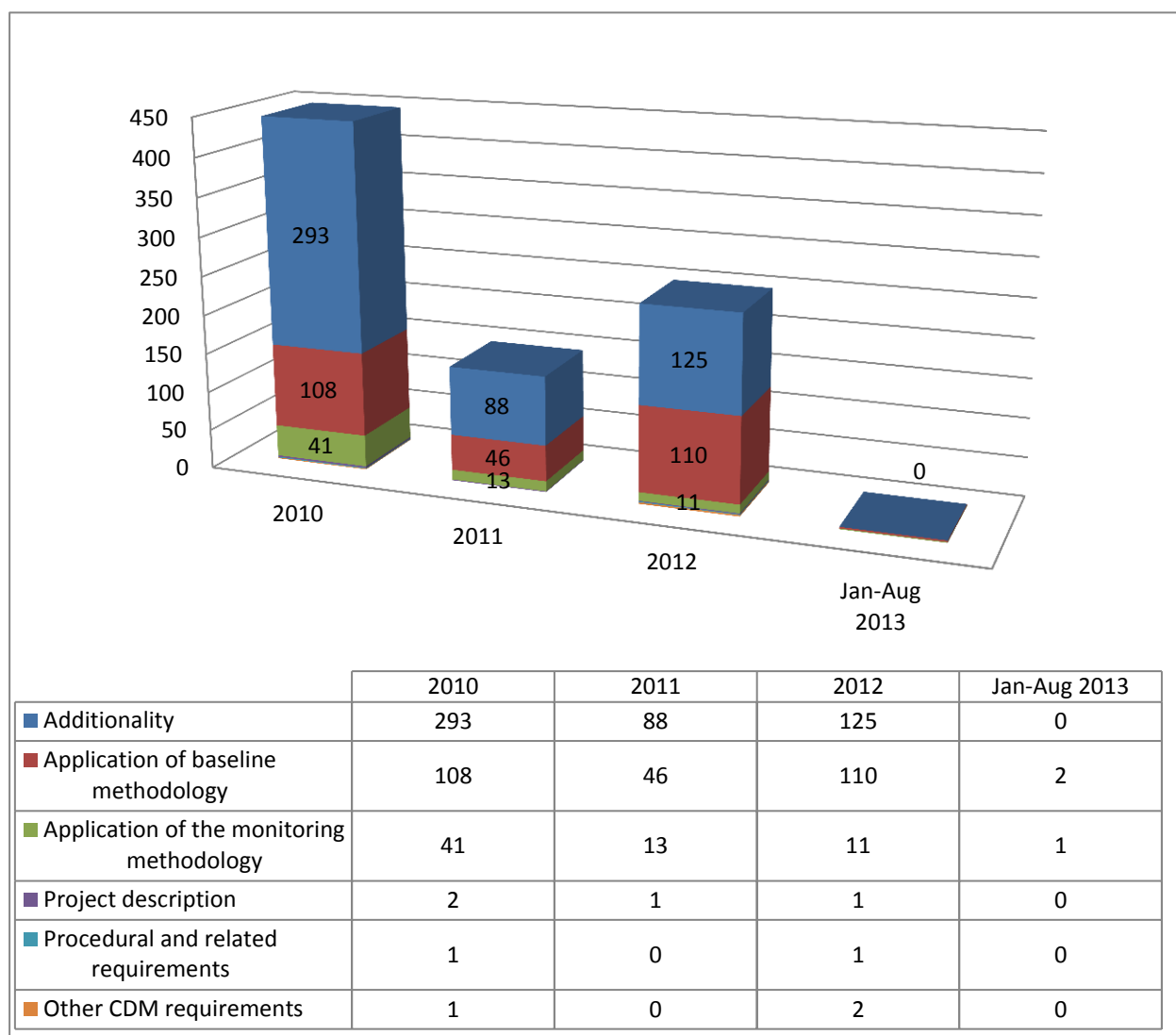
- (g) Possible improvements in the process and quality of the preparation of project design documents (PDDs) and validation reports by the project participants (PPs) and the DOEs may be due to: (a) reasons as mentioned above, other capacity-building, stakeholder consultation and support initiatives by the Board; and (b) due to the deterrence, for some cases, set by non-compliance with the 2012 European Union Emissions Trading System (EU ETS) deadline, which would otherwise have huge consequences due to a delay in the timelines of the CDM project cycle process.

### **2.3. Analysis of results of DOE performance monitoring and possible suggestions for improvement**

12. The issues raised in requests for review of registration were classified into requirements and categories. With regard to the proportion of different issues, comparable trends are observed between submissions in 2010, 2011, 2012 and 2013 (up to August 2013). The analysis in the graph in figure 4 below shows that:
  - (a) For the year 2010, 66 per cent of the issues raised are related to the additionality of the project activity, 24 per cent are related to applicability of the baseline methodology, 9 per cent are related to the application of the monitoring methodology and less than 1 per cent are related to the other categories (project description, procedural and related requirements and other CDM requirements);
  - (b) For the year 2011, the analysis of the graph shows that 59.5 per cent of the issues raised are related to the additionality of the project activity, 31.1 per cent related to applicability of the baseline methodology, 8.8 per cent related to the application of the monitoring methodology and 0.7 per cent are related to project description;
  - (c) For the year 2012, 50 per cent of the issues raised are related to the additionality of the project activity, 44 per cent are related to applicability of the baseline methodology, 4 per cent are related to the application of the monitoring methodology and 1 per cent to other requirements;
  - (d) For the year 2013 (up to August 2013), only a small number of requests for review were raised and consequently there were three review issues. However, more conclusive results can be determined in future periods when data from the full year is available and as more projects are finalized.
13. For 2012, the distribution of request for review issues for registration and the analysis is mentioned below:
  - (a) Additionality contributes to 50 per cent of the total request for review issues, out of which 59 per cent is due to investment analysis and out of which 24 per cent are reporting and 68 per cent are technical issues and the key concern is the suitability of input values and suitability of capital asset pricing model (CAPM) benchmark and determination of beta value;
  - (b) Application of baseline methodology contributes to 44 per cent of the total request for review issues, out of which 34 per cent is due to algorithms and/or formulas to determine emission reductions and are due to reporting and technical issues and the key concern is the value determination, grid emission factor determination and calculation and equations;

- (c) Application of baseline methodology contributes to 44 per cent of the total request for review issues, out of which 35 per cent are due to baseline identification due to reporting and technical issues and the key concern is the identification and/or exclusion of alternative scenarios and level of enforcement of regulation, establishment of baseline scenario;
- (d) Five per cent of the total request for review issues are related to either ambiguity in interpretation of requirements (contributing to the majority of issues) or absence of a requirement and the key concern is the suitability of benchmark by the application of capital asset pricing model (CAPM) and determination of beta value, suitability of input values and use of expired regulatory documents.

**Figure 4. Request for review issues**



14. The Board at its seventy-sixth meeting considered the Fifth analysis report on DOE performance monitoring, which provided an analysis of request for review issues raised for projects during the year 2012 and potential options for system-wide improvements that may lead to a reduction of requests for review in registration. For the year 2013 (up

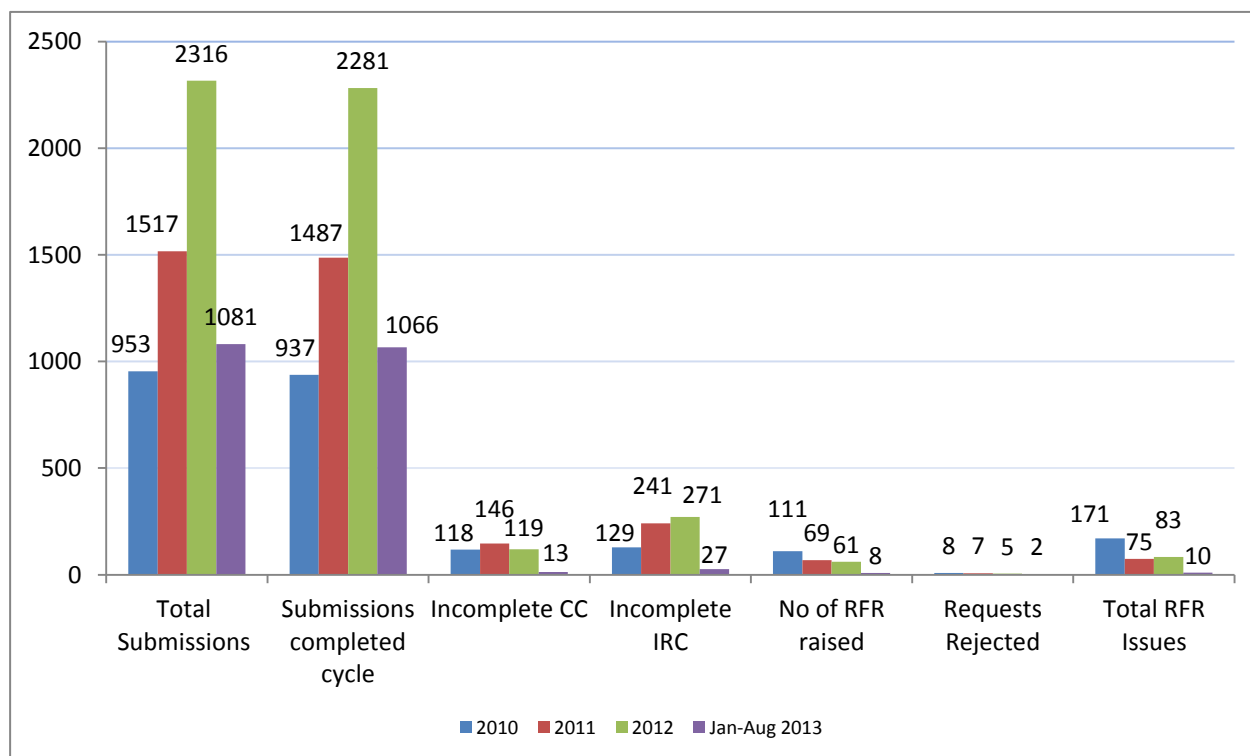
to August 2013, with data finalized as of 28 February 2014), only a small number of requests for review were raised and consequently there were only three review issues. Therefore, in the absence of sufficient data, no meaningful analysis of issues could be carried out for the seventh and eighth monitoring period, and this explains why the  $I_2$  indicator drops to zero. However, more conclusive results can be determined in future periods when data from the full year is available and as more projects are finalized.

### 3. Analysis of issuance

#### 3.1. Overview of performance of DOEs

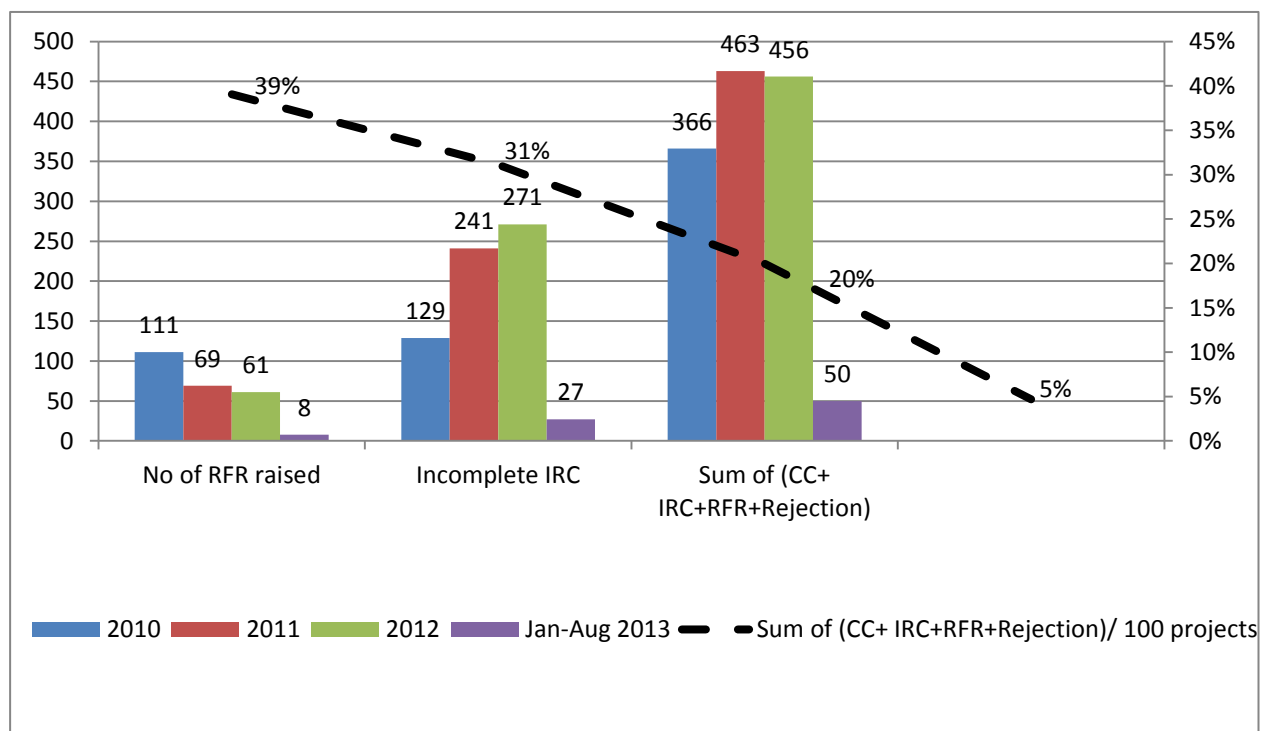
15. A total of 953 requests for issuance were submitted in 2010, out of which 118 and 129 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 111 requests for review were raised leading to 171 review issues. In 2011, 1,517 requests for issuance were submitted, out of which 146 and 241 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 69 requests for review were raised leading to 75 review issues. In 2012, 2,316 requests for issuance were submitted, out of which 119 and 271 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and 61 requests for review were raised leading to 83 review issues. In 2013 (up to 31 August), 1,081 requests for issuance were submitted, out of which 13 and 27 requests were deemed incomplete at completeness check (CC) and information and reporting checks (IRC) respectively and eight requests for review corresponding to 10 review issues were raised.

**Figure 5. Issuance submissions**



16. In 2013 (up to 31 August) for the seventh and eighth monitoring periods, 1,066 out of 1,081 projects were finalized and 8 requests for review and 10 review issues were raised. The reasons for the reduction in requests for review are mentioned in section 3.2. Therefore, due to insufficient data as only 10 review issues are available, no meaningful analysis of request for review issues could be carried out for the seventh and eighth monitoring period, and this explains why the  $I_2$  indicator in the graph in figure 7 below drops close to zero.
17. The sums of the number of submissions deemed incomplete at completeness check and information and reporting check, requested for review and rejected by the Board for the years 2010, 2011, 2012 and 2013 (up to 31 August) are 366, 463, 456 and 50, respectively. The sum of the number of submissions deemed incomplete at completeness check and information and reporting check, requested for review and rejected by the Board for every 100 submissions of request for registration (shown by the black dotted line in the graph in figure 6 below) shows a reducing trend from 2010 (39 per cent) to 2013 (5 per cent). This indicates an improvement of the overall DOE performance as the number of submissions increases, while the number of requests for review reduces and the number of submissions that are deemed incomplete at information and reporting checks increases.

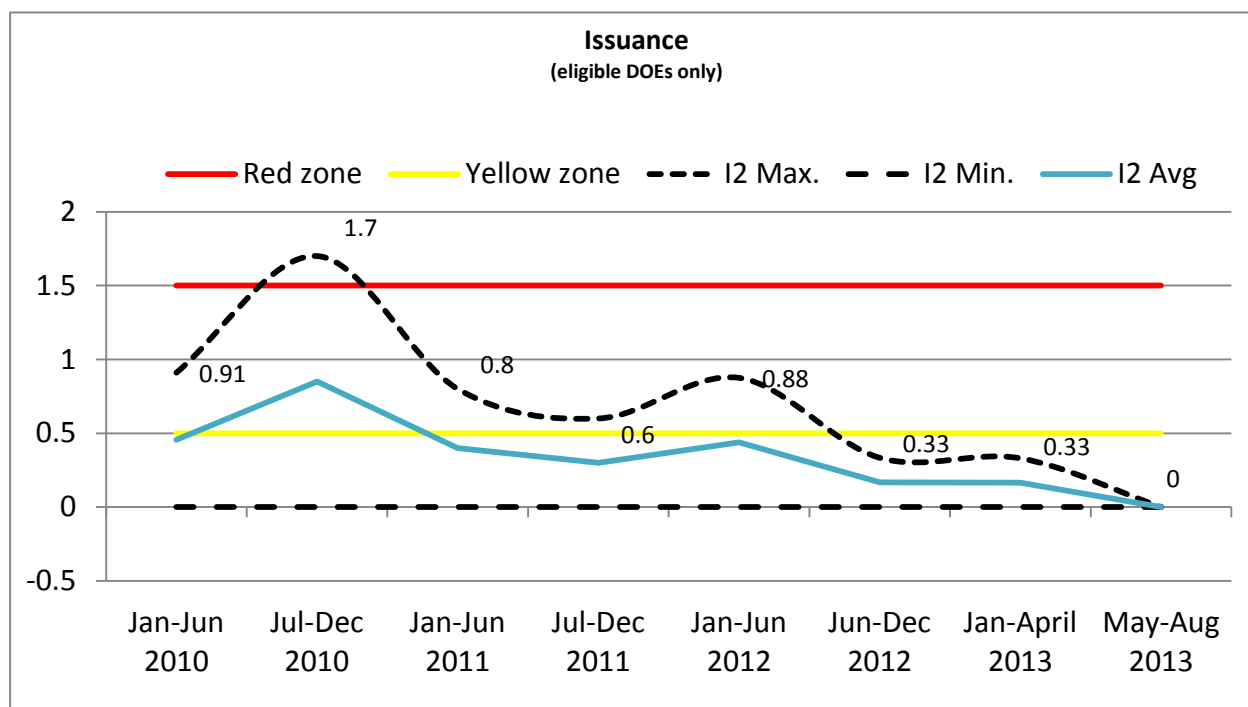
**Figure 6. System-wide trend of sum of number of CC, IRC, RFR and rejections per 100 projects – Issuance**



18. The trend of the  $I_2$  Indicator (rate of requests for review) in the issuance process for eligible DOEs for the monitoring periods running from 1 January 2010 to 31 August 2013 is presented below. The graph in figure 7 indicates that during this period, the upper threshold is lower than the maximum values of the indicator  $I_2$ , except for one case in 2010 when a spot-check was raised for one of the DOEs. The performance of DOEs in 2011, 2012 and January to August 2013 shows a reducing trend of the average value of

the  $I_2$  Indicator<sup>6</sup> (rate of requests for review) in the issuance process for eligible DOEs by 46 per cent, 54 per cent and 87 per cent respectively, as compared to 2010.

**Figure 7.  $I_2$  Indicator – trends per monitoring period**



### 3.2. Evolution of performance of DOEs

19. From the data presented above, the overall performance of DOEs is seen to have continuously improved in 2011, 2012 and January to August 2013 as compared to 2010:
- The performance of DOEs in 2011, 2012 and January to August 2013 shows a reducing trend of average value of  $I_2$  indicator (rate of requests for review) in the issuance process for eligible DOEs by 46 per cent, 54 per cent and 87 per cent, respectively, as compared to 2010;
  - While submissions have increased, a significant reduction in the number of request for review issues has been observed: 56 per cent, 51 per cent and 87 per cent in 2011, 2012 and 2013 (up to August 2013) respectively in comparison to 2010. There are only 8 requests for review for the first and second monitoring period of 2013, during which more than 97 per cent of the projects are finalized, which therefore reflects a permanent and dramatic improvement of the performance of DOEs. The significant reduction in 2013 (up to August 2013) is due to higher automatic issuances;
  - The sum of the number of submissions deemed incomplete at completeness check and information and reporting check, requested for review and rejected by the Board for every 100 submissions of request for issuance, that completed

<sup>6</sup> Indicator  $I_2$  is the rate of requests for review adjusted by weight of the requests: Indicator  $I_2 = \text{SUM (weights of requests for review)}/\text{number of requests completed}$ .

cycle, shows a reducing trend from 39 per cent in 2010, 31 per cent in 2011, 20 per cent in 2012 and 5 per cent in 2013 (up to 31 August), indicating an improvement of the overall DOE performance as the total number of submissions that are incomplete at CC and IRC stage and requests for review have reduced, while the number of submissions increased. This indicates the increasing maturity and improvement in performance of the CDM system, where the focus of the improvement in assessment has shifted from the end of the pipeline to the beginning of the pipeline as more issues are detected earlier in the project cycle at the information and reporting check stage as compared to the request for review stage.

20. The main reasons for the observed improvement in performance of DOEs may be due, in addition to potential external factors, to the following:
- (a) New, improved and revised guidance/documents being provided by the Board through improved procedures, methodologies and tools, including the improvements made in the accreditation system, particularly requiring specific expertise to be used by DOEs for complex technical areas;
  - (b) Enhancement in interaction with DOEs through various workshops and interactions;<sup>7</sup>
  - (c) Organization of training across various regions;
  - (d) Increase in overall experience and skills of the DOEs over a period of time;
  - (e) Introduction of information and reporting checks<sup>8</sup> which detect issues related to information, reporting, repetitive and recurring “Summary Note” issues, earlier in the process prior to publication of the submitted requests; and a significant reduction in specific request for review issues (e.g. issues related to HFC projects, etc.) subsequent to the availability of Board guidance;
  - (f) Implementation of the Project cycle procedure (PCP), Project standard (PS), and Validation and verification standard (VVS) since 1 May 2012, and also improvement and revision of some methodologies and tools may also have had a positive impact on the indicator I<sub>2</sub>. These new documents include provisions for post-registration changes like temporary deviations, revision of the monitoring plan and change in project design. The PS in its appendix 1 provides a list of cases that do not need prior approval from the Board. It is evident that the implementation of the new standards and procedure, including the new procedures for post-registration changes, has had a positive impact on the indicator I<sub>2</sub>;
  - (g) Possible improvements in the process and quality of the preparation of monitoring and verification reports by the PPs and the DOEs may be due to: (a) reasons as mentioned above and other capacity-building, stakeholder

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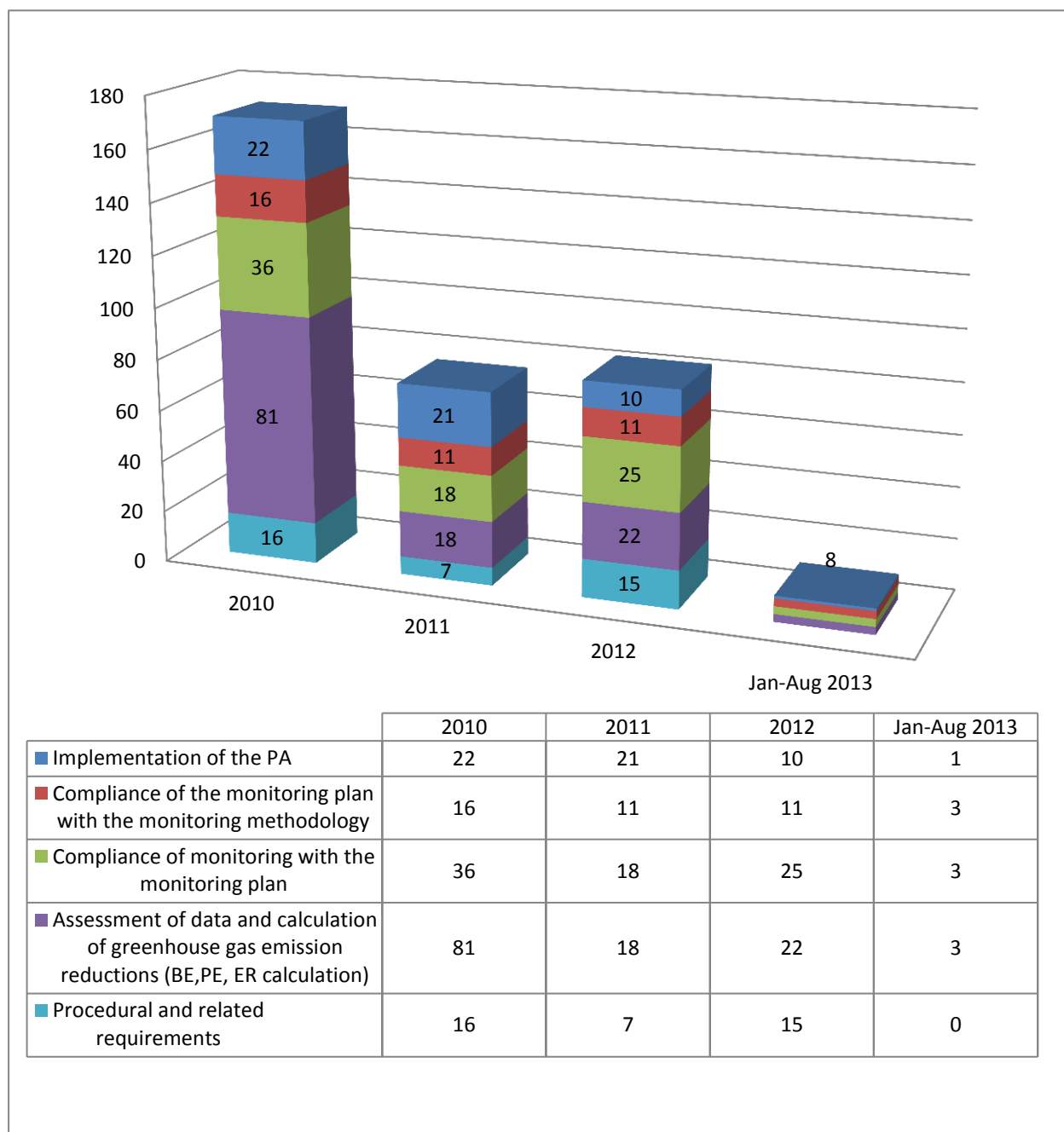
<sup>7</sup> DOE Teleconference, interaction of the DOE/AIE Coordination Forum with the Board and the CDM-AP, DOE dedicated email account.

<sup>8</sup> The revised guidelines of the completeness check, included checking of reporting requirements, implemented from 1 September 2009 (EB 48 report, paras. 62 and 75), which later turned into a two-step process: completeness check (CC) and information and reporting check (IRC) from early 2010 as per the Board’s decision (EB 54, annexes 28 and 35 dated 28 May 2010).

consultation and support initiatives by the Board; and (b) due to the deterrence, for some cases, set by non-compliance with the EU ETS deadline (April 2013) on industrial gas projects, which would otherwise have huge consequences due to a delay in the timelines of the CDM project cycle process.

### **3.3. Analysis of results of DOE performance monitoring and possible suggestions for improvement**

21. The issues raised in requests for review of issuance were classified into requirements and categories. With regard to the proportion of different issues, comparable trends are observed between submissions in 2010, 2011, 2012 and 2013 (up to August 2013). The analysis in the graph in figure 8 below shows that:
- (a) For the year 2010, 47 per cent of the issues raised are related to the assessment of data and calculation of greenhouse gas emission reductions, 21 per cent are related to the compliance of monitoring with the monitoring plan, 9 per cent are related to the compliance of the monitoring plan with the monitoring methodology, 9 per cent are related to the application of the procedural and related requirements and less than 13 per cent are related to the implementation of the project activity;
  - (b) For the year 2011, 24 per cent of the issues raised are related to the assessment of data and calculation of greenhouse gas emission reductions, 24 per cent are related to the compliance of monitoring with the monitoring plan, 15 per cent are related to the compliance of the monitoring plan with the monitoring methodology, 9 per cent are related to the application of the procedural and related requirements and less than 28 per cent are related to the implementation of the project activity;
  - (c) For the year 2012, 27 per cent of the issues raised are related to the assessment of data and calculation of greenhouse gas emission reductions, 30 per cent are related to the compliance of monitoring with the monitoring plan, 13 per cent are related to the compliance of the monitoring plan with the monitoring methodology, 18 per cent are related to the application of the procedural and related requirements and less than 12 per cent are related to the implementation of the project activity.
22. For the seventh monitoring period (January to April 2013) and eighth monitoring period (May to August 2013), about 99 per cent and 97 per cent of the projects are finalized, so it is less likely that future periods will change the status of requests of reviews. For the year 2013 (up to August 2013), most projects had CERs automatically issued and only 8 requests for review were raised resulting in 10 review issues.

**Figure 8. Request for review issues**

23. For 2012, the distribution of request for review issues for issuance and the analysis is as follows:
- (a) Implementation of the project activity contributes to 12 per cent of total request for review issues, out of which 50 per cent are reporting and 20 per cent are technical issues and the key concern is the changes to project design post-registration;
  - (b) Compliance of the monitoring plan with the monitoring methodology contributes to 13 per cent of the total request for review issues, out of which 67 per cent are



technical and the remaining are reporting issues and the key concern is compliance with the monitoring methodology;

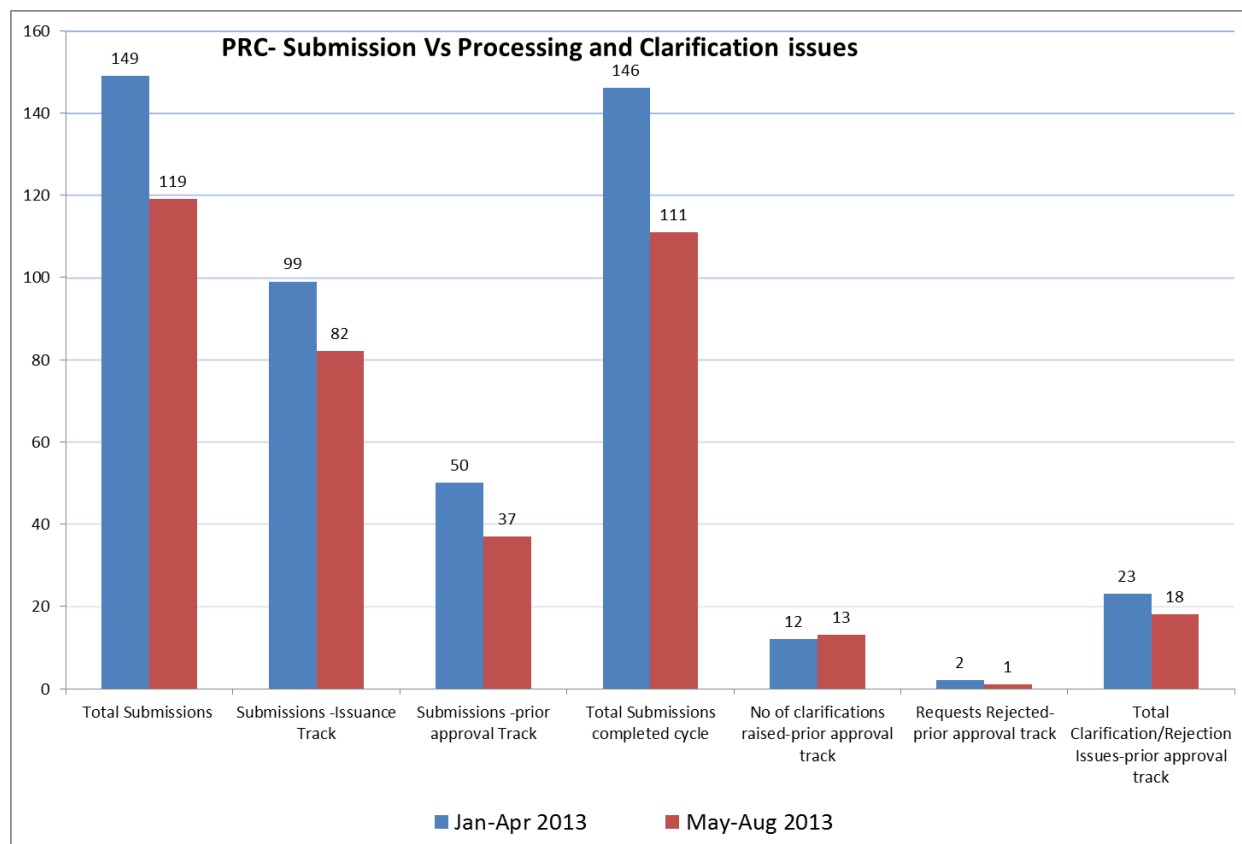
- (c) Compliance of monitoring with the monitoring plan contributes to 30 per cent of total request for review issues, out of which 28 per cent are reporting and 64 per cent are technical issues and the key concern is the accuracy of the equipment and inconsistency among various documents;
  - (d) Assessment of data and calculation of greenhouse gas emission reductions contributes to 27 per cent of the total request for review issues, out of which 73 per cent are technical and the remainder are reporting issues and the key concern is the exclusion of the odd values from the emission reduction calculations and cross-checking of monitored parameters not as per requirements or methodology;
  - (e) 31 per cent of the total request for review issues are related to either ambiguity in interpretation of requirements or absence of a requirement, and the key concern is the compliance with the Board's clarification 0191-(HFC issue on inflated baselines and w-factor) and the absence of requirements on monitoring parameters of other registered projects which share the same equipment.
24. The Board at its seventy-sixth meeting considered the Fifth analysis report on DOE performance monitoring, which provided an analysis of request for review issues raised for projects during the year 2012 and potential options for system-wide improvements that may lead to a reduction of requests for review for issuance. For the year 2013 (up to August 2013, with data finalized as of 28 February 2014), almost all the projects were automatically issued with CERs and only 8 requests for review were raised resulting in 10 review issues. For this period and given the very small number of review issues raised, no meaningful analysis can be done at this stage, and this explains why the  $I_2$  indicator in the graph drops to around zero. If, in future monitoring periods, the number of issues raised is more substantial, areas for improvement could then be identified.

## **4. Analysis of post-registration changes**

25. The Board at its seventy-third meeting adopted the revised "Procedure on performance monitoring of designated operational entities" requiring analysis of the issues arising from the post-registration change (PRC) requests. The procedure was effective from 1 January 2013, and therefore the monitoring of the performance of DOEs with respect to post-registration changes started from the seventh monitoring period.
26. This report summarizes and analyses the findings from the seventh monitoring period, from 1 January 2013 to 30 April 2013 (accounting for data and submissions finalized as of 31 January 2014), and the eighth monitoring period, from 1 May 2013 to 31 August 2013 (accounting for data and submissions finalized as of 28 February 2014).

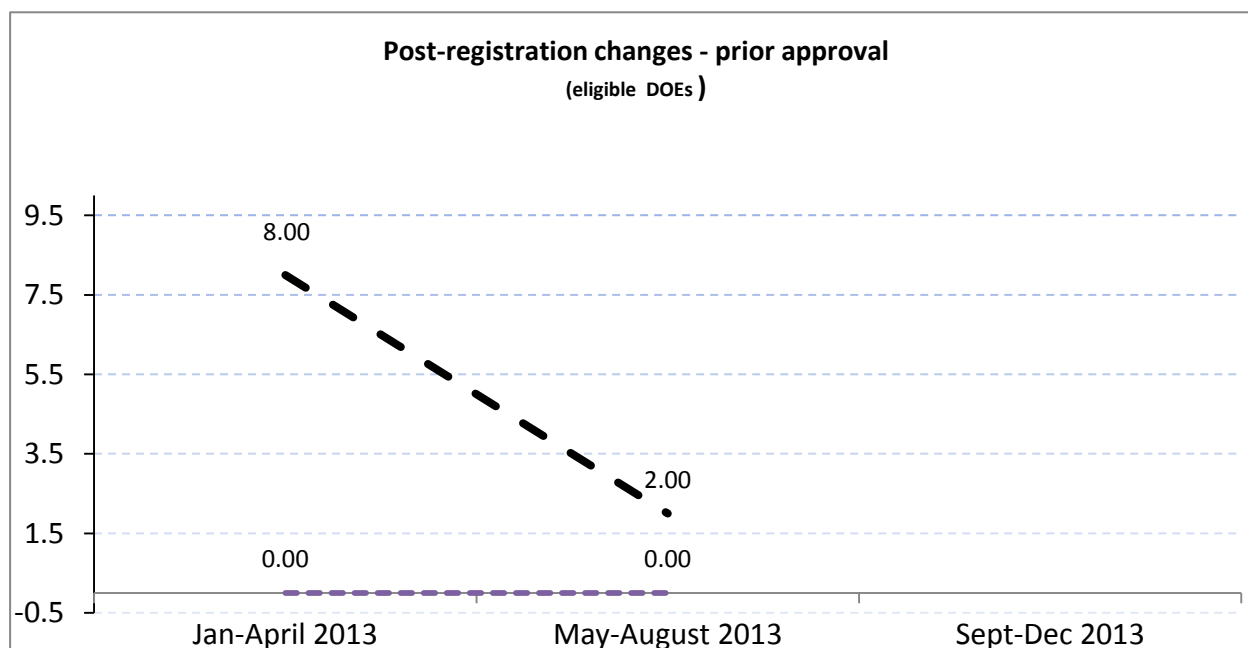
### **4.1. Overview of performance of DOEs**

27. A total of 268 requests for PRC were submitted in 2013 from January to August, out of which 181 requests fall under the issuance track and the remainder fall under the prior-approval track, as per the project cycle procedure. There were 28 submissions, under the prior-approval track, for which either a clarification has been requested from a DOE or has been rejected, leading to 41 clarification and rejection issues.

**Figure 9. Post-registration change submissions**

28. For the seventh monitoring period, a total of 149 requests for PRC were submitted in 2013 from January to April, out of which 99 requests fall under the issuance track and the remainder fall under the prior-approval track. There were 14 submissions, under the prior-approval track, for which either clarifications have been requested from a DOE or have been rejected, leading to 23 clarification and rejection issues.
29. For the eighth monitoring period, a total of 119 requests for PRC were submitted in 2013 from May to August, out of which 82 requests fall under the issuance track and the remainder fall under the prior-approval track. There were 14 submissions, under the prior-approval track, for which either a clarification has been requested from a DOE or has been rejected, leading to 18 clarification and rejection issues.
30. The trend of the maximum value of  $I_4$  Indicator in the PRC (prior-approval track) process for eligible DOEs for the monitoring periods running from 1 January to 31 August 2013 is presented below. The performance of DOEs from January to April 2013 and May to August 2013 shows an improving trend of the value of  $I_4$  Indicator<sup>9</sup> in the PRC process for eligible DOEs.

<sup>9</sup> Indicator  $I_4$  is the rate of issues resulting from clarifications from the DOE or rejection of requests for post-registration changes adjusted by weight of the requests: Indicator  $I_2 = \text{SUM (weights of requests for clarification from the DOEs and number of requests rejected for post-registration changes adjusted by weight of the requests)}/\text{number of requests completed}$ .

**Figure 10. I<sub>4</sub> Indicator – trends per monitoring period**

#### 4.2. Evolution of performance of DOEs

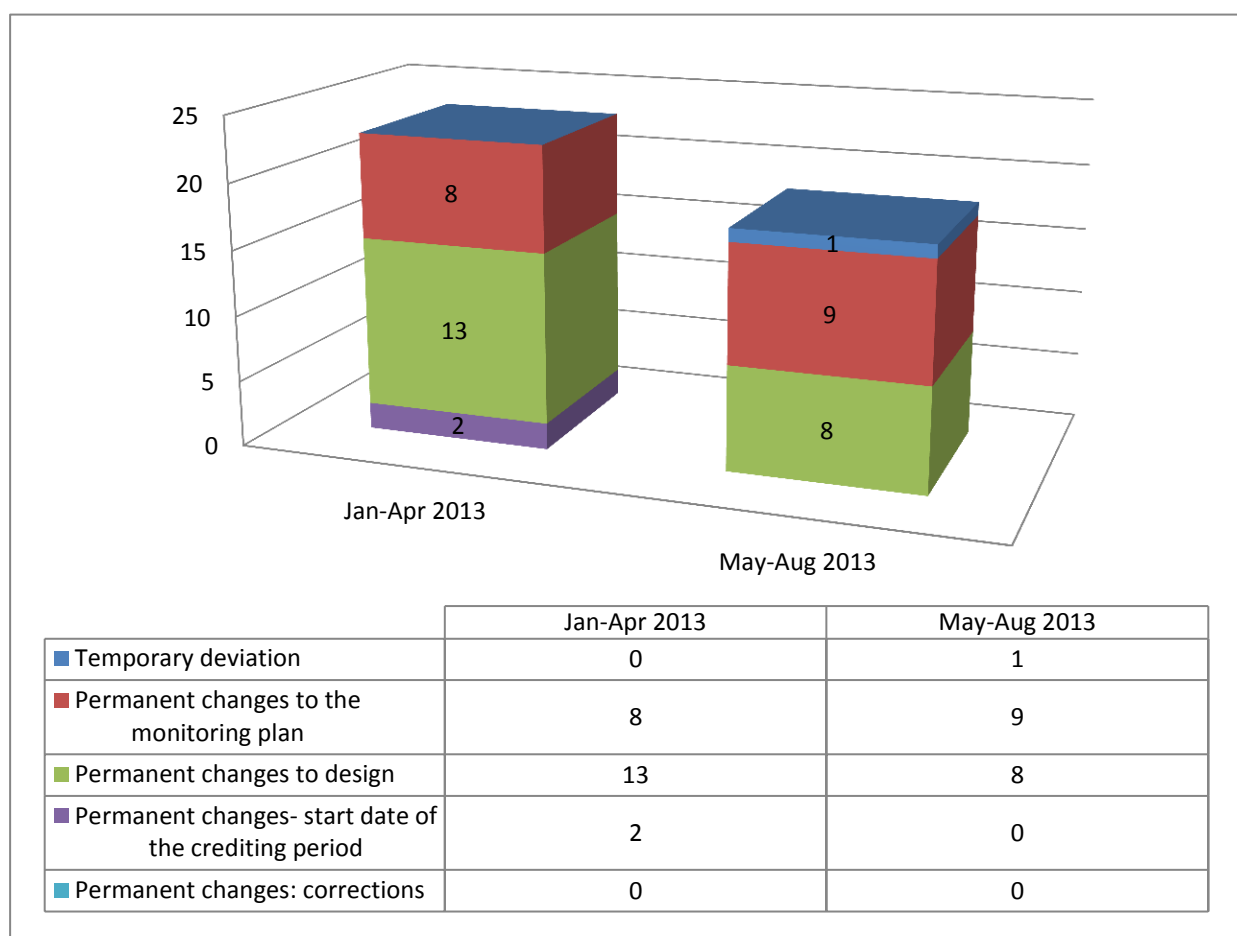
31. From the data presented above, the overall performance of DOEs is seen to have improved in the eighth monitoring period (May to August 2013) as compared to the seventh monitoring period (January to April 2013).
32. The implementation of the PCP, PS and VVS started on 1 May 2012, and is a comparatively new process. The DOE performance for post-registration changes process has been monitored only for two monitoring periods (eight months), so it is too early to draw any meaningful conclusions. Monitoring the trends over the coming periods would be needed.

#### 4.3. Analysis of results of DOE performance monitoring and possible suggestions for improvement

33. The issues raised in requests for clarifications from DOEs were classified into requirements and categories. With regard to the proportion of different issues, comparable trends are observed between submissions in the two monitoring periods: the seventh from January to April 2013, and the eighth from May to August 2013. The analysis in the graph in figure 11 below shows that:
  - (a) For the seventh monitoring period, 35 per cent of the issues raised are related to permanent changes to the monitoring plan and 57 per cent are related to permanent changes to the design of the project activity;
  - (b) For the eighth monitoring period, 50 per cent of the issues raised are related to permanent changes to the monitoring plan and 44 per cent are related to permanent changes to the design of the project activity.
34. In 2013 for the seventh monitoring period, the distribution of issues related to requests for clarification from DOEs for PRC and the analysis is as follows:

- (a) Permanent changes to the monitoring plan contribute to 35 per cent of the total issues, out of which 100 per cent are technical issues;
- (b) A permanent change to project design contributes to 57 per cent of the total issues, out of which 38 per cent are technical and remaining 54 per cent are reporting issues.
35. In 2013 for the eighth monitoring period, the distribution of request for clarification from DOEs issues for PRC and the analysis is as follows:
- (a) Permanent changes to the monitoring plan contribute to 50 per cent of the total issues, out of which 44 per cent are technical and the remaining 56 per cent are reporting issues;
- (b) A permanent change to project design contributes to 44 per cent of the total issues, out of which 38 per cent are technical and remaining 62 per cent are reporting issues.

**Figure 11. Request for clarification from DOE or rejection issues**



36. Table 1 below provides an analysis of issues raised and potential options for system-wide improvements that may lead to a reduction of issues related to requests for clarification from DOEs for post-registration changes.

**Table 1. Analysis of issues on clarifications from DOEs and potential options for system-wide improvements – Post-registration changes**

Request for clarification on PRC requests (Jan-Aug 2013)				Existing measures/ requirements	Measures by DOE	Introduce new rules/ Guidance/ measures	Revision of existing rules	Training/ Capacity building
<b>PRC- Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology</b>								
Issues related to reporting	12%	VVM-VVS implementation timeline	The PDD was not submitted using the VVS template As per the VVS Implementation timeline version 03.0, all requests submitted after 01/02/2013 shall use the forms required under the VVS track.	CDM FAQs on Post registration changes and timeline	Regular training of staff on application of checklists for completeness checks	In 2014, Project 226 and project 118 of the CDM MAP 2014 (EB71, annex 1) will focus on development of standardized PRC assessment templates and guidelines. It is expected to contribute to reduce the number of reporting issues raised. In addition, it would be useful to develop templates which may include specific detailed reporting requirements on accuracy of the equipment, calibration, measurement methods and reporting of missing data.	–	–
		Ex-ante, ex-post, monitoring parameters	Clarify if the use of the adjustment factors AD(1) and AD(2) has been reflected into the ex-ante calculation of baseline emission; and clarify on the technical problems, considering that, according to the previous accepted deviation request, the technical problems were solved already.	–				
Technical correctness and accuracy issues	29%	Ex-ante, ex-post, monitoring parameters	The parameter was described as ex-post, but in accordance with the method it is an ex-ante.	Methodology	1) Strengthen quality check procedures, technical review process and train their personnel on assessing changes in monitoring plan 2) Consider first to cross-check requirements between the	The CDM MAP and the Workplan 2014 (EB 71, annex 1) mentions project 180 which covers the revision of the PS, VVS and PCP. Project 180 will also include expansion of appendix 1 to the PS to cover common monitoring issues including those not under the control of the PP/CMEs.	–	Future workshops may include these and other recurrent issues and explain how the requirements (PCP, PS and VVS) can address these issues.
			Justify the monitoring parameters, it's ex-ante requirements and conservativeness.	VVS v.2				
			Validation requirements for the monitoring of the export meter, monitoring of bagasse and sawdust, NCV values, EF <sub>km</sub> , CO <sub>2</sub> , y, and missing ex-post parameters.	ACM0006 ver.4				
			Ex-post calculation of emission reduction	VVS v.2, para 276				

Request for clarification on PRC requests (Jan-Aug 2013)				Existing measures/ requirements	Measures by DOE	Introduce new rules/ Guidance/ measures	Revision of existing rules	Training/ Capacity building
Technical correctness and accuracy issues	29%		Clarify how it will be ensured that the micro-hydro plants, were in operation throughout the monitoring period; and the number of households connected to these micro-hydropower plants were not decreased over the time considering the parameter	–	methodology and the registered PDD  3) Apply standard method/practice based on relevant expertise			
		Calibration frequency	Validation of how the calibration frequency change from 6 months to 1 year affects the emission reduction.	VVS v.2, para 263	Apply conservative methods where there is an uncertainty. The Guidelines for assessing compliance with the calibration frequency (EB 52, annex 60) explain how to handle most calibration-related issues.			
		Baseline and project emissions	Validation of requirements of AMS-I.C version 13 (i) how CO <sub>2</sub> emission factor per unit of energy of the fuel that would have been used in the baseline plant (EFCO <sub>2</sub> ) in the equation 14 was included, and (ii) why the changes in the equation 13 are including additional fossil fuel sources	–	1) Strengthen quality check procedures, technical review process and train their personnel on assessing change in project design during verification			
			Validate compliance with the applied methodology and the “Tool to calculate project or leakage CO <sub>2</sub> emissions from fossil fuel combustion”	–	2) Consider ways to cross-check requirements			

Request for clarification on PRC requests (Jan-Aug 2013)				Existing measures/ requirements	Measures by DOE	Introduce new rules/ Guidance/ measures	Revision of existing rules	Training/ Capacity building
		Additionality	Confirm that only the key parameters in the original spread-sheet affected by the proposed changes were modified.	VVS v.3, PS v.3, para 274 (a); 223 (a)	between the methodology and the registered PDD			
		Sample size	Validation of sample size that will be appropriate in the future monitoring periods.	"Guidelines for sampling and surveys for CDM Project activities and Programme of activities"	3) Apply standard method/practice based on relevant expertise			
			Validation of sample size that will be appropriate in the future monitoring periods					
			Validation of sample size that will be appropriate in the future monitoring periods					

**Table 2. Analysis of issues on clarifications from DOEs and potential options for system-wide improvements – Post-registration changes**

Request for clarification on PRC requests (Jan-Aug 2013)				Existing measures/ requirements	Measures by DOE	Introduce new rules/ Guidance/ measures	Revision of existing rules	Training/ Capacity building
PRC- Permanent changes: changes to the project or programme design in the registered CDM project activity								
Issues related to reporting	29%	VVM-VVS implementation timeline, onsite visit	Use of the latest version of PDD form and on-site visit to review the actual changes.	VVS v.2 para 271	Refer CDM FAQs on post registration changes and timeline	In 2014, project 226 and project 118 of the CDM MAP 2014 (EB 71, annex 1) will focus on development of standardized PRC assessment templates and guidelines. It is expected to contribute to reduce the number of reporting issues raised. In addition, it would be useful to develop templates which may include specific detailed reporting requirements on accuracy of the equipment, calibration, measurement methods and reporting of missing data.	–	–
		VVM-VVS implementation timeline	Latest version of the PDD form, completion of appendix 6, inconsistency in reference dates.	VVS v.3				
		VVM-VVS implementation timeline	Apply the latest PDD form: PDD/PoA-DD/CPA-DD; two documents need to be uploaded: the registered PDD updated using the form for the VVS track and the new PDD (also using the form for the VVS track) highlighting the proposed changes.	VVS v.2, PS v.2, para 62/ 222				
		Baseline and project emissions	Clarify the rule for expansion factor and frequency of passengers taking cable car.	–	Regular training of staff on application of checklists for completeness checks			Future workshop s may include these and other recurrent issues and explain how the requireme nts (PCP, PS and
		Impact of changes	Further information on the reason for new tendering for the compressor with an increased capacity of 50,000 SCMD given that there already existed a compressor of capacity 25000 SCMD.	VVS (CDM-EB70-A03) para 279 (b)				
		Inconsistencies	Several inconsistencies in PDD vs VR regarding: number of Ormat Energy Converters (OECs) operating, capacity and summation for each phase of the project activity and the total installed capacity, investment and the financing barriers and ‘Project cost barrier’.	VVS v.2; PS v.4 para 62/225				



Request for clarification on PRC requests (Jan-Aug 2013)				Existing measures/ requirements	Measures by DOE	Introduce new rules/ Guidance/ measures	Revision of existing rules	Training/ Capacity building
Issues related to reporting		Bundling	Clarify how an amendment in the number of micro-hydro plants from 448 to 450 is in compliance with EB 66, annex 21.	“General Principles for Bundling” v. 02 para 9				VVS) can address these issues.
Procedural issues	2%	Additionality	Validation of the existing barriers and how it remains applicable after the design change	–	Refer WebEx/presentation on how to use PRC interface	The CDM MAP and the Workplan 2014 (EB 71, annex 1) mentions project 180 which covers the revision of the PS, VVS and PCP. Project 180 may also include: 1) provision of clear definition of temporary and permanent change (operational vs. physical/location) and clarifying whether relocation of registered CDM project activity to a different location can be considered as a permanent change 2) The expansion of appendix 1 to the PS to cover common monitoring issues including those not under the control of the PP/CMEs.	Work plan for 2014, adopted at EB 77 (annex 1), mandates secretariat to carryout analysis on the post-registration changes on permanent changes, particularly for biomass and hydropower projects, where changes occur due to change of fuel or operational capacity during the implementation.	
		PRC form	Completion of PRC form	PSv.4, VVS v.4 para 215, 216/256, 259				
Technical correctness and accuracy issues	20%	Baseline and project emissions	Validation of maximum capacity loading considered as a CAP.	–	1)Strengthen quality check procedures, technical review process and train their personnel on assessing change in project design 2)Consider first to cross-check requirements between the methodology and the registered PDD 3)Apply standard method/practice based on relevant expertise			
		Baseline and project emissions	Validation of methane emission from combustion of NG; why the modification was occurred only in one DG set; total NG input to the DG set.	–				
		Impact of changes	Whether the changes would have been known prior to registration of the project activity, and how the changes would impact the overall operation/ability of the project activity to deliver emission reductions as stated in the PDD	VVS v.3				
		Impact of changes	Explain whether the changes would have been known prior to registration of the project activity, and how the changes would impact the overall operation/ability of the project activity to deliver emission reductions	VVS v.3				

## 5. Potential areas for system-wide improvement

37. Taking into consideration the data gathered for the first, second, third, fourth, fifth, sixth seventh and eighth monitoring periods of performance monitoring of DOEs and the analysis above, the following potential areas of improvement have been identified:
- (a) To further enhance the performance of the DOEs by:
    - (i) Continuing to monitor the performance of the DOEs and report to the Board;
    - (ii) Supporting that this information and analysis is used by:
      - a. DOEs for system improvements including drafting checklists for auditors during validation and verification and used as check points for focused technical reviews;
      - b. The CDM-AP and assessment teams (CDM-ATs) for defining the focused audit scope during surveillance audits, performance assessments, etc.;
      - c. The secretariat in supporting the Board in taking measures to bring clarity both in language and in substantive requirements in the respective paragraphs of the CDM rules, including the ongoing work on revision of the VVS/PS;
  - (b) To continue the work for developing standardized validation and verification and PRC assessment templates and guidelines (projects 118 and 226 in the CDM management plan) including standardizing the reporting requirements on accuracy of the equipments, calibration, measurement methods, reporting of missing data, grid emission factor including details of options used, vintage of data, monitoring uncertainties, equations as per the methodology, selection of alternate scenario for selection of baseline, additional monitoring requirements due to specific nature of project, detailed reporting requirements on the post-registration changes, in order to reduce the frequent reporting issues;
  - (c) To explore the possibility to extend the scope for project 180 (see the CDM two-year business plan and management plan 2013–2014, EB 71, annex 1) to also include: 1) provision of clear definitions of temporary and permanent change (operational versus physical/location) and clarifying whether the relocation of a registered CDM project activity to a different location can be considered a permanent change. The Board's workplan for 2014, adopted at EB 77 (annex 1), mandates the secretariat to carry out analysis on the post-registration changes on permanent changes, particularly for biomass and hydropower projects, where changes occur due to a change of fuel or operational capacity during the implementation;
  - (d) To request DOEs to further strengthen their quality check procedures, their technical review process and train their personnel on the issues where most of the clarifications on post-registration changes are triggered, particularly with regard to changes in monitoring plan and change in project design;

- (e) To explore providing training and capacity-building for the DOEs focused on post-registration changes particularly with regard to the revision of the PS, VVS and PCP and changes in the monitoring plan and changes in the project design;
- (f) To continue to provide clarification on the interpretation of existing CDM requirements and guidance to the DOEs on day-to-day operational and other issues to facilitate and expedite validation and verification.

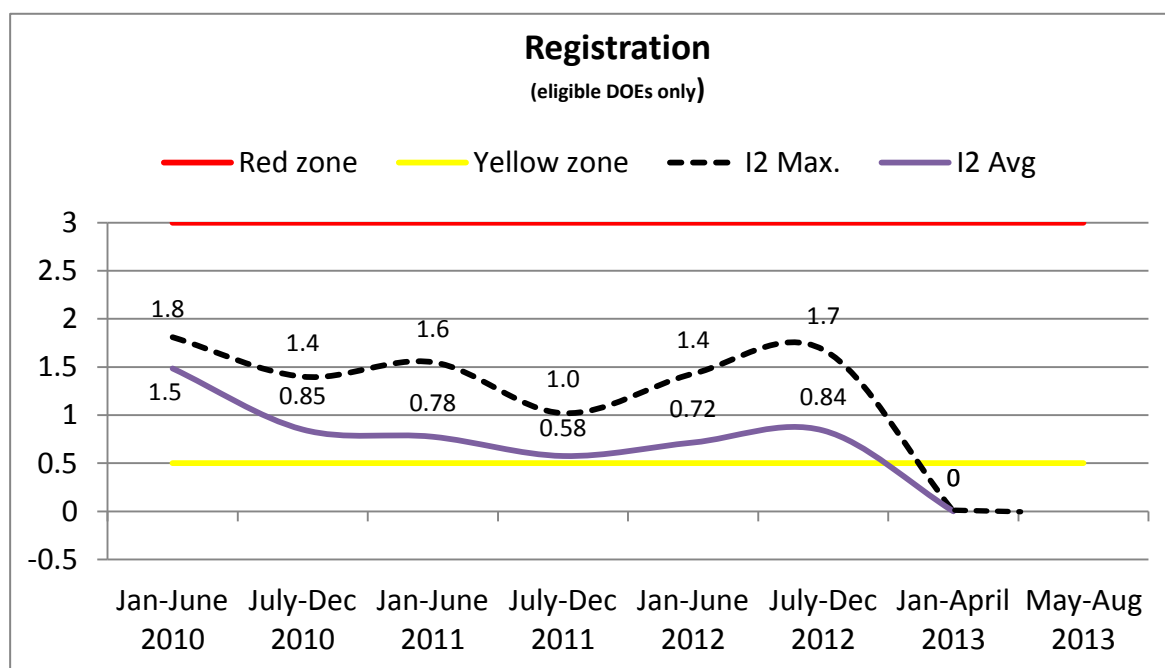
## Appendix 1. Registration

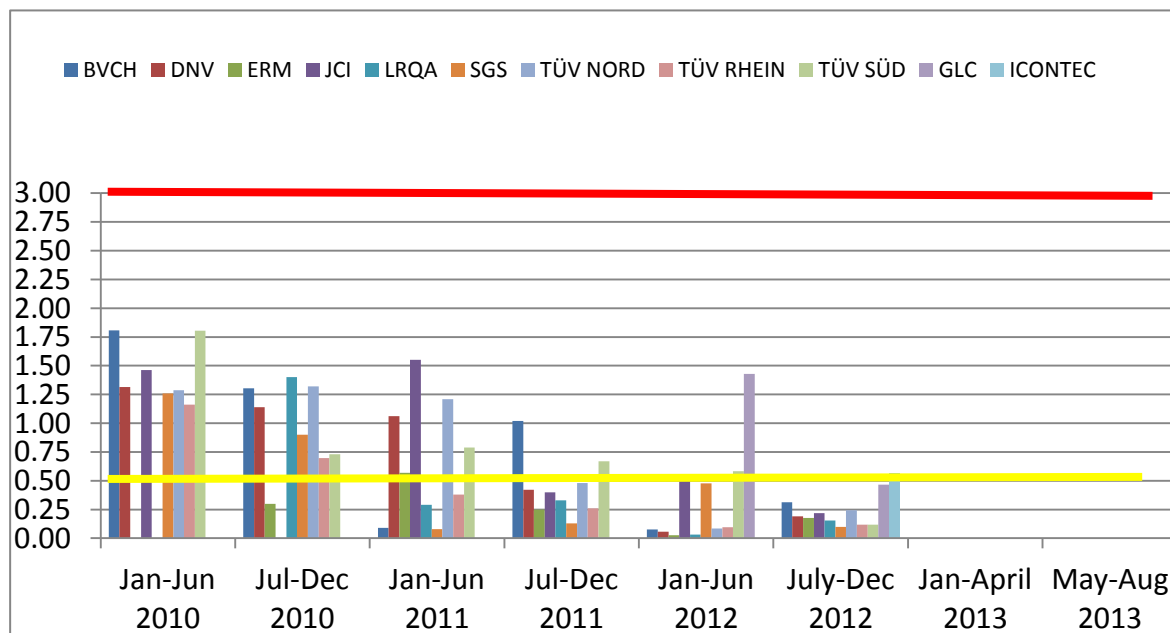
### 1. Overview of DOE performance

#### 1.1. DOE performance indicator ( $I_2$ – rate of requests for review)

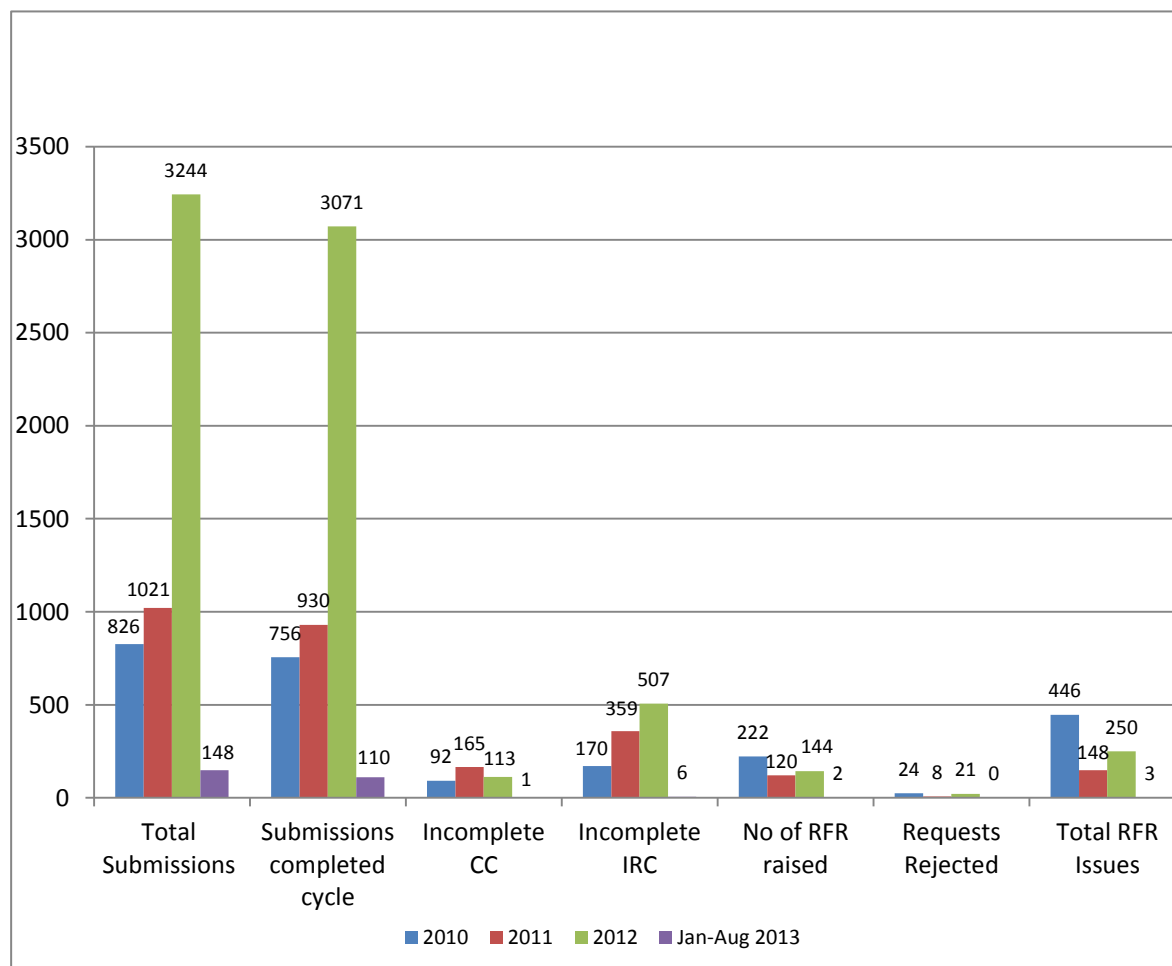
1. The trend of the  $I_2$  Indicator (rate of requests for review) in the registration process for eligible DOEs and the trend of DOE-wise  $I_2$  Indicator for major DOEs for the monitoring periods of 1 January 2010 to 31 December 2010, 1 January 2011 to 31 December 2011, 1 January 2012 to 31 December 2012 and 1 January 2012 to 31 August 2013 is presented below.

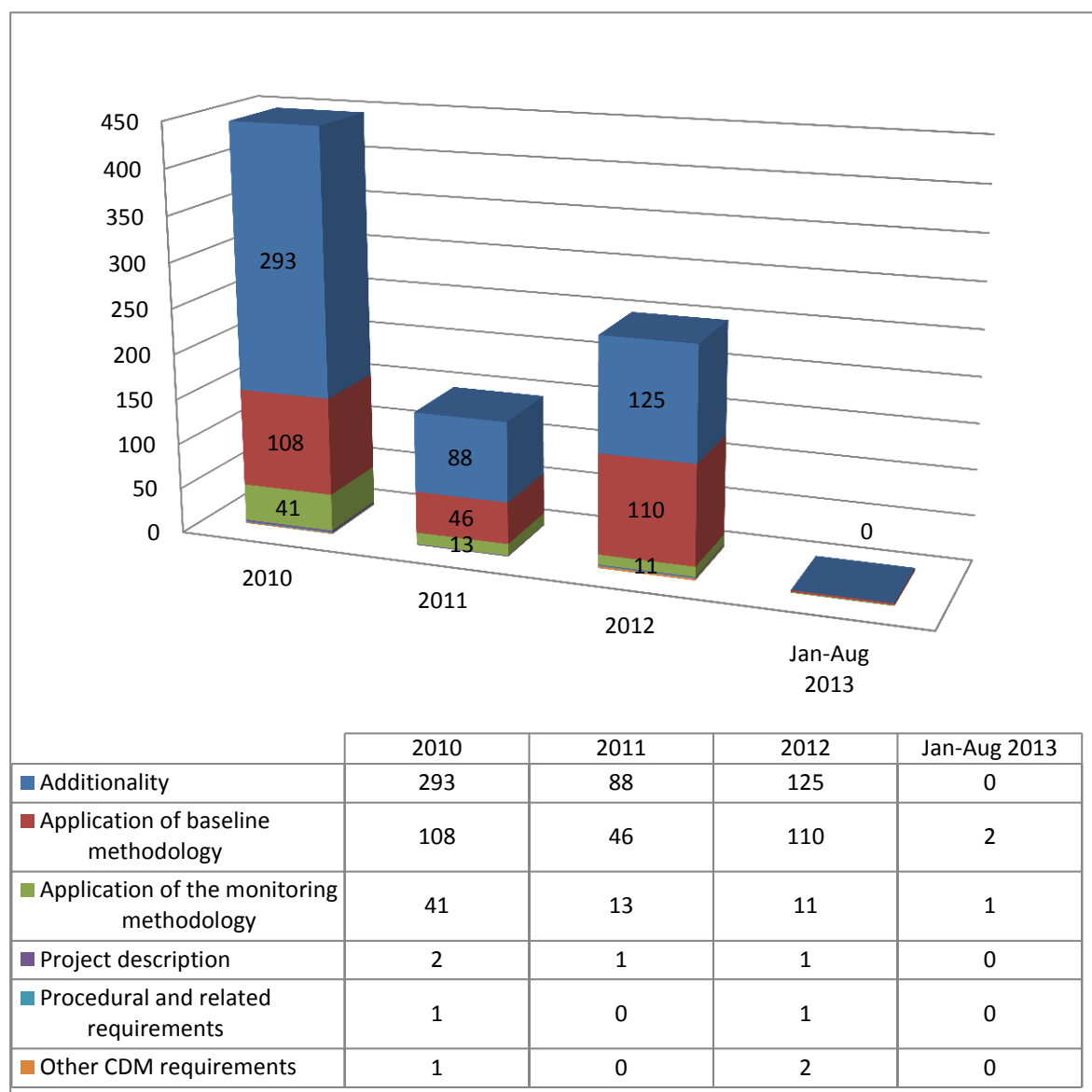
Figure 1.  $I_2$  Indicator for the registration process



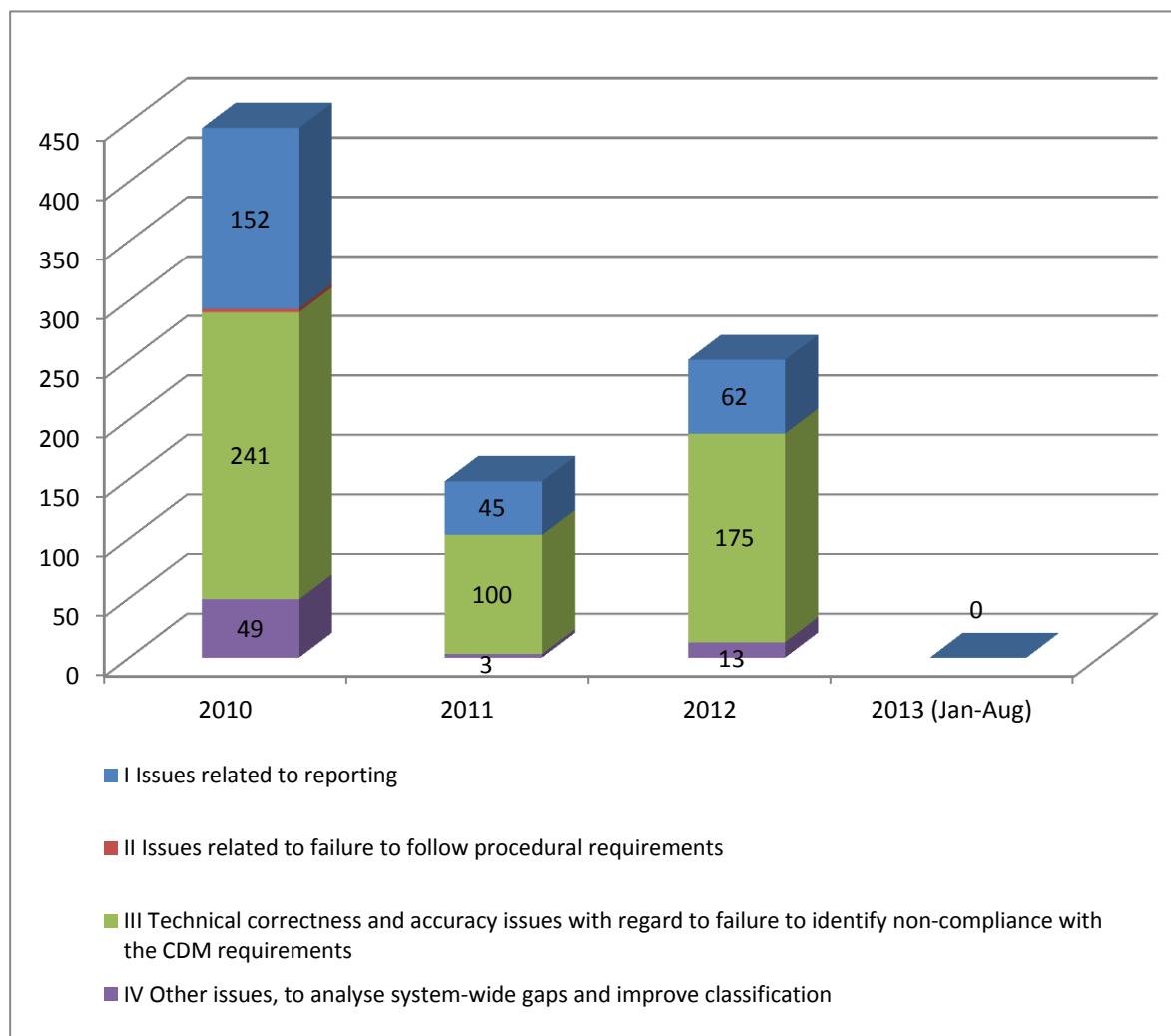
**Figure 2. DOE-wise  $I_2$  Indicator for the registration process****DOE performance indicator ( $I_2$ ) – classification of issues raised**

2. Overview graphics compiling the issues raised in registration requests for all DOEs (eligible for monitoring and non-eligible for monitoring) for the monitoring periods of 1 January 2010 to 31 December 2010, 1 January 2011 to 31 December 2011, 1 January 2012 to 30 December 2012, and 1 January 2013 to 31 August 2013 are provided below.

**Figure 3. Registration submissions**

**Figure 4. Registration – request for review issues – topic-wise**

3. The current report presents the issues identified classified by category. The following graphics illustrate the distribution of the issues raised for registration cases.

**Figure 5. Registration 2010–2013 – categories of issues**

## 2. Analysis of the issues raised

4. The Board at its seventy-sixth meeting considered the Fifth analysis report on DOE performance monitoring, which provided an analysis of request for review issues raised for projects until the year 2012 and potential options for system-wide improvements that may lead to a reduction of requests for review in registration.
5. For the year 2013 (up to August 2013, with data finalized as of 28 February 2014), only a small number of requests for review were raised and consequently there were only three review issues. Therefore, in the absence of sufficient data, no meaningful analysis of issues could be carried out for the seventh and eighth monitoring periods, and this explains why the  $I_2$  indicator drops to zero. However, more conclusive results can be determined in future periods when data from the full year is available and as more projects are finalized.



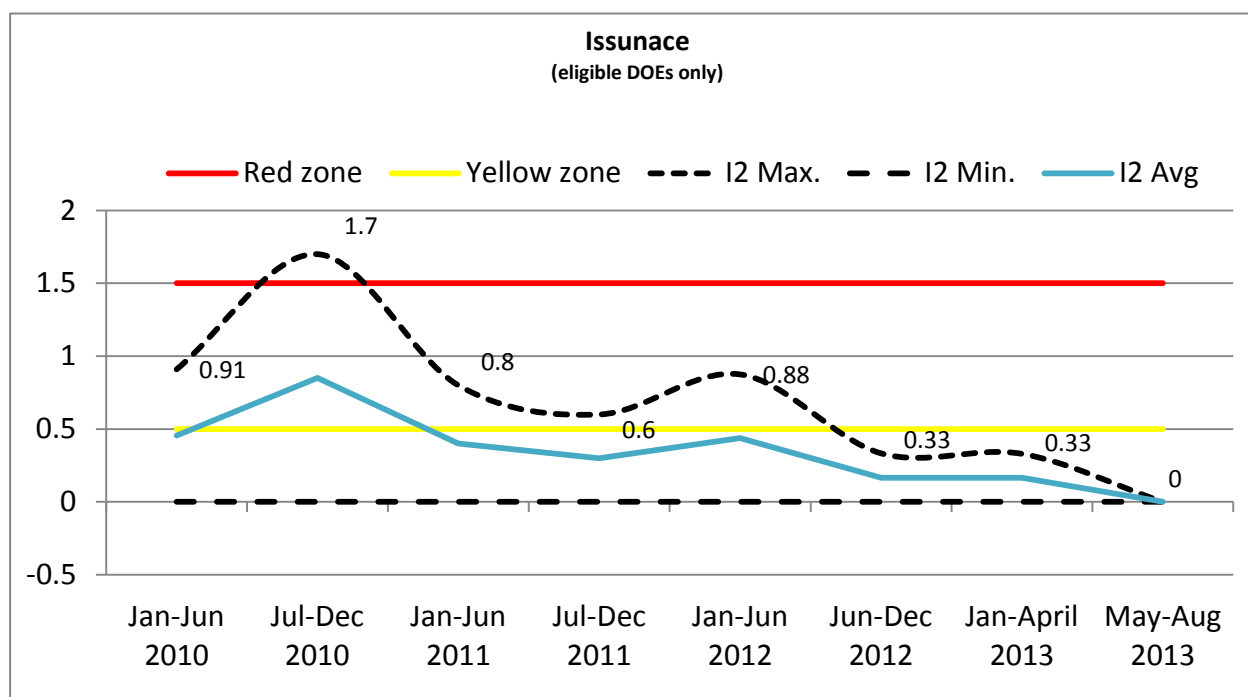
## Appendix 2. Issuance

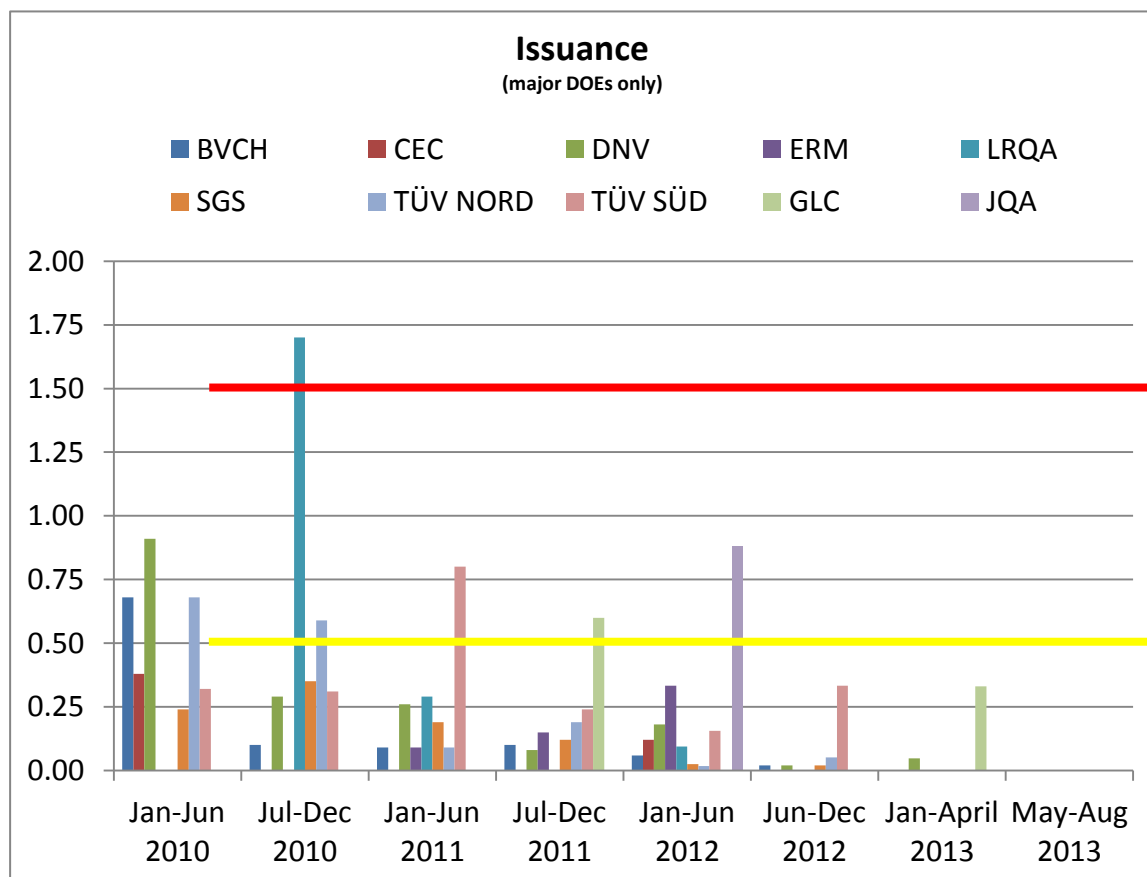
### 1. Overview of DOE performance

#### 1.1. DOE performance indicator ( $I_2$ - rate of requests for review)

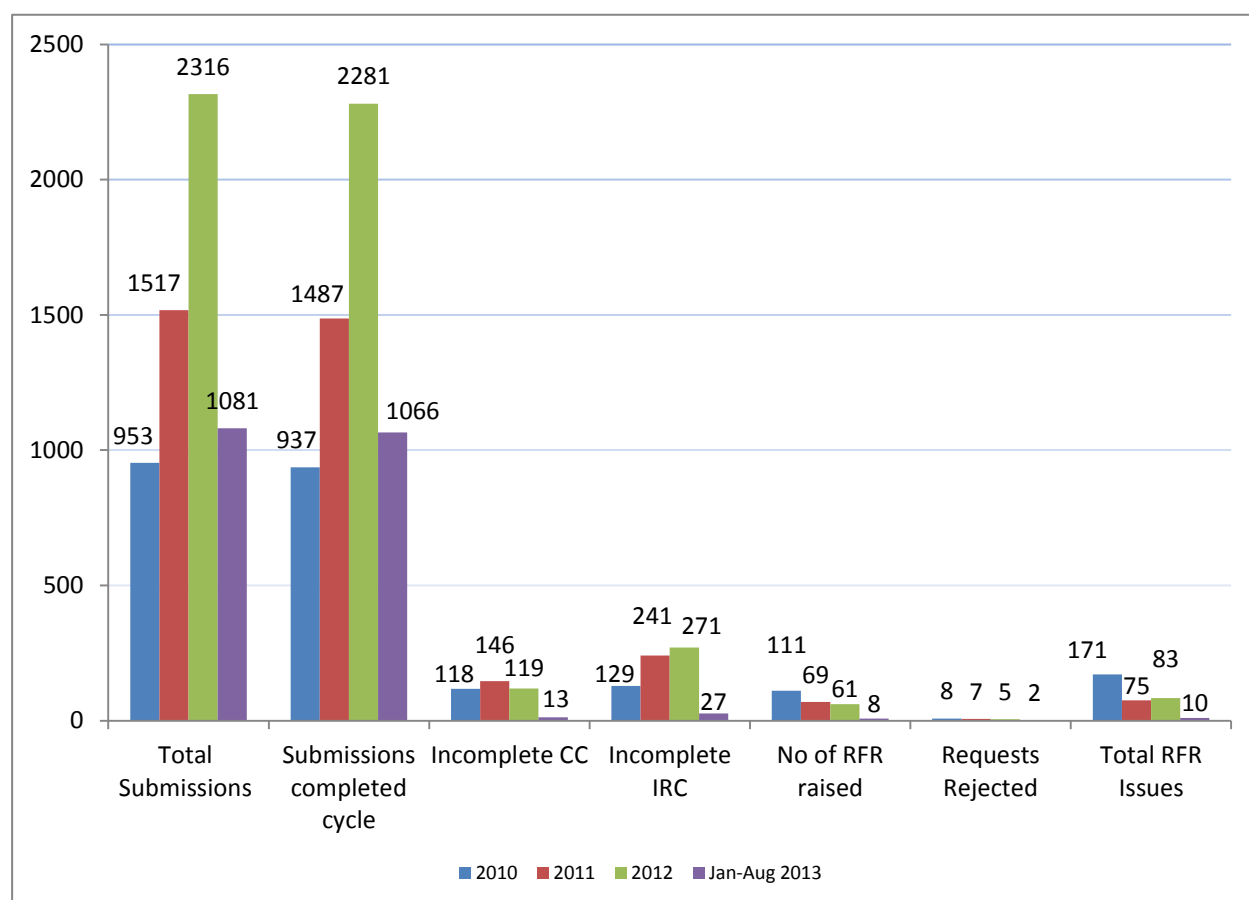
1. The trend of the  $I_2$  Indicator (rate of requests for review) in the issuance process for eligible DOEs and the trend of DOE-wise  $I_2$  Indicator for major DOEs for the monitoring periods of 1 January 2010 to 31 December 2010, 1 January 2011 to 31 December 2011, 1 January 2012 to 31 December 2012, and 1 January 2013 to 31 August 2013 are presented below. During this period, the maximum value of the indicator  $I_2$  has crossed the higher threshold once and triggered a spot-check.

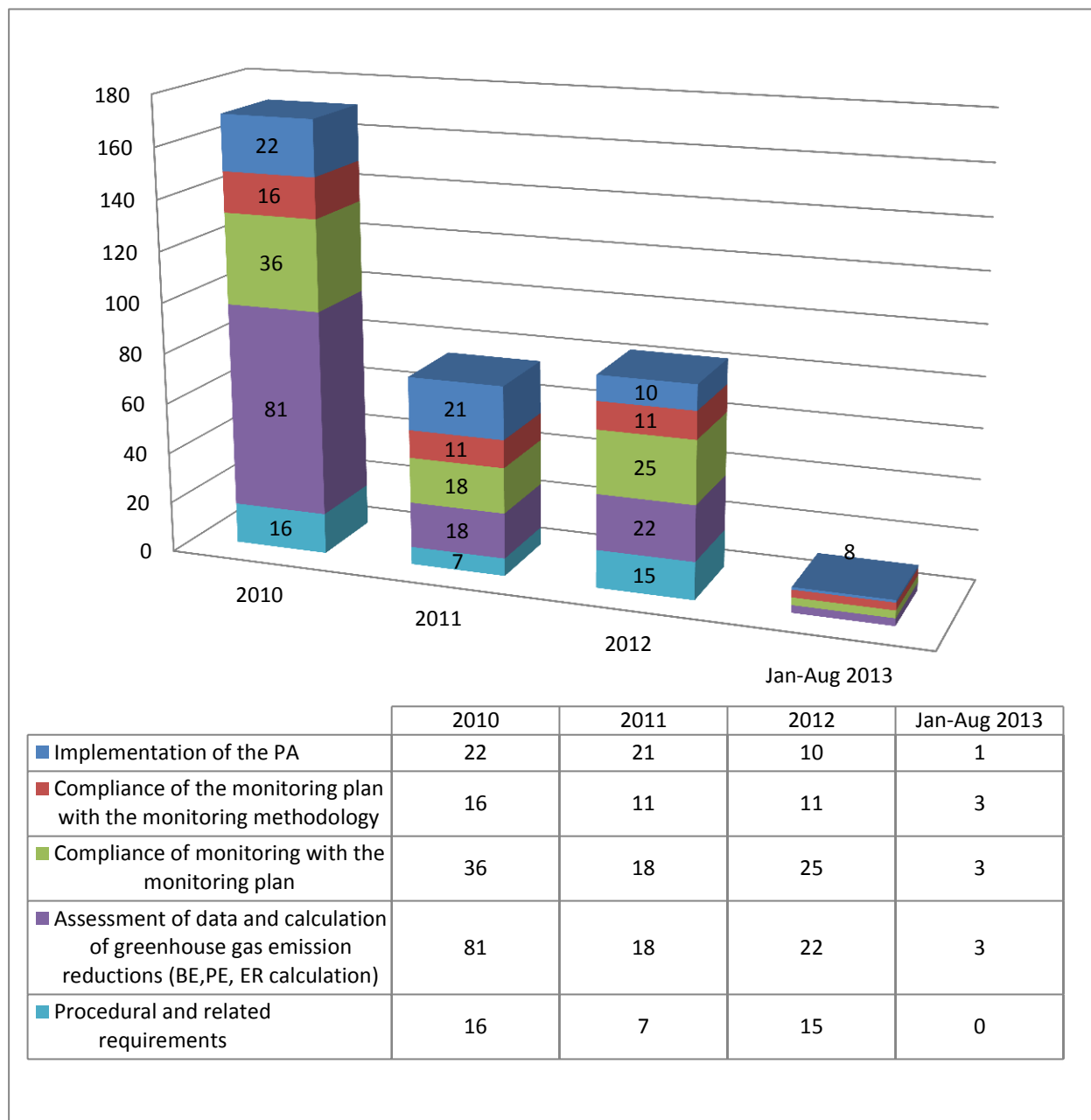
Figure 1.  $I_2$  Indicator for issuance process



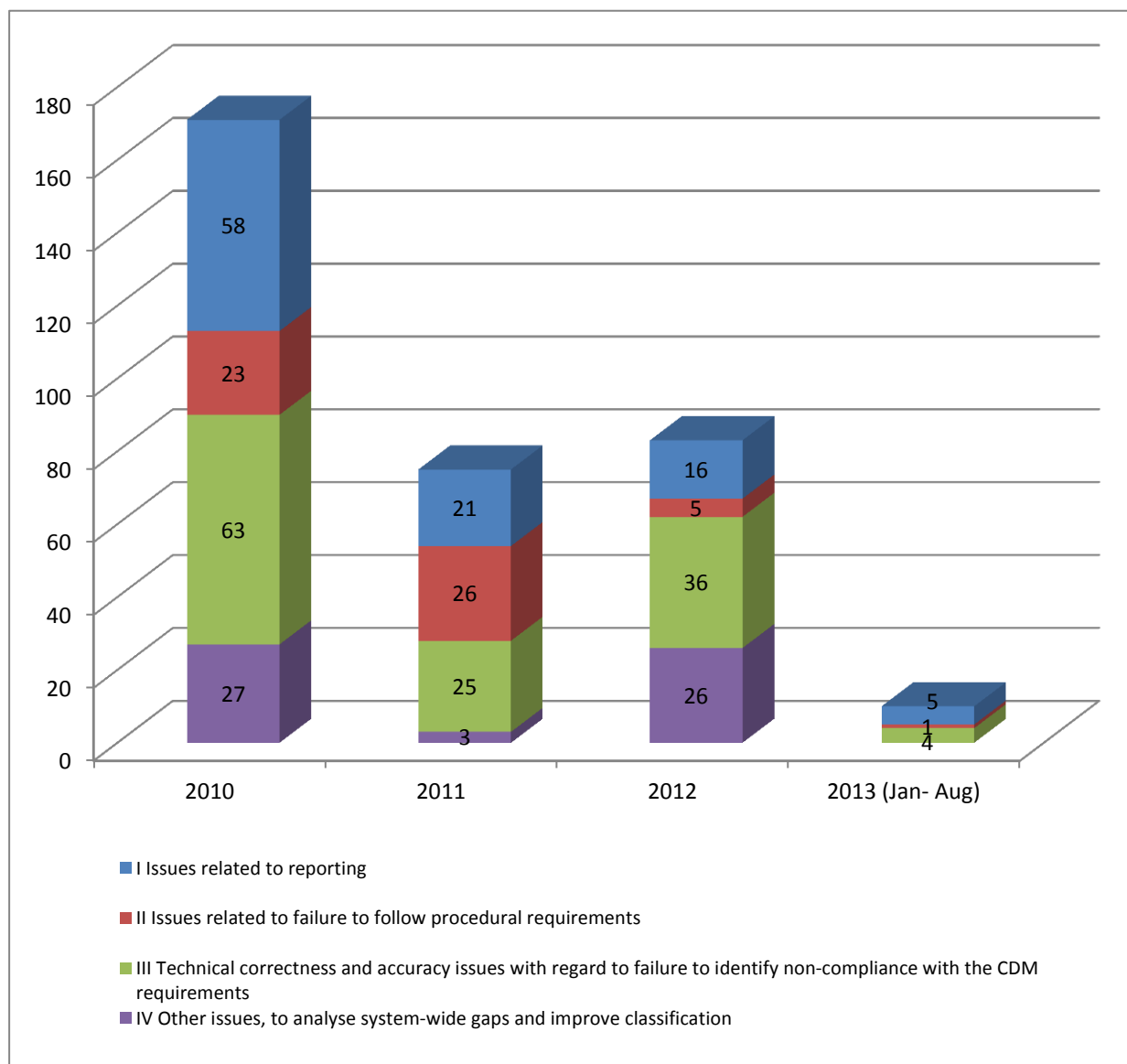
**Figure 2. DOE-wise  $I_2$  indicator for issuance process (major DOEs only)****1.2. DOE performance indicator ( $I_2$ ): classification of issues raised**

2. Overview graphics compiling the issues raised in issuance requests for all DOEs (eligible for monitoring and non-eligible for monitoring) for the monitoring periods of 1 January 2010 to 31 December 2010, 1 January 2011 to 31 December 2011, 1 January 2012 to 31 December 2012, and 1 January 2013 to 31 August 2013 are provided below.

**Figure 3. Issuance submissions**

**Figure 4. Issuance – request for review issues**

3. This section presents the identified issues classified by category. The graphics below illustrate the distribution of the issues raised for issuance cases from 2010 to 2013.

**Figure 5. Issuance – categories of issues**

## 2. Analysis of the issues raised

4. The Board at its seventy-sixth meeting considered the Fifth analysis report on DOE performance monitoring, which provided an analysis of request for review issues raised for projects during the year 2012 and potential options for system-wide improvements that may lead to a reduction of requests for review for issuance.
5. For the year 2013 (up to August 2013, with data finalized as of 28 February 2014), almost all the projects were automatically issued with CERs and only 8 requests for review were raised resulting in 10 review issues. For this period and given the very small number of review issues raised, no meaningful analysis can be done at this stage and this explains why the  $I_2$  indicator in the graph drops to around zero. If, in future monitoring periods, the number of issues raised is more substantial, areas for improvement could then be identified.

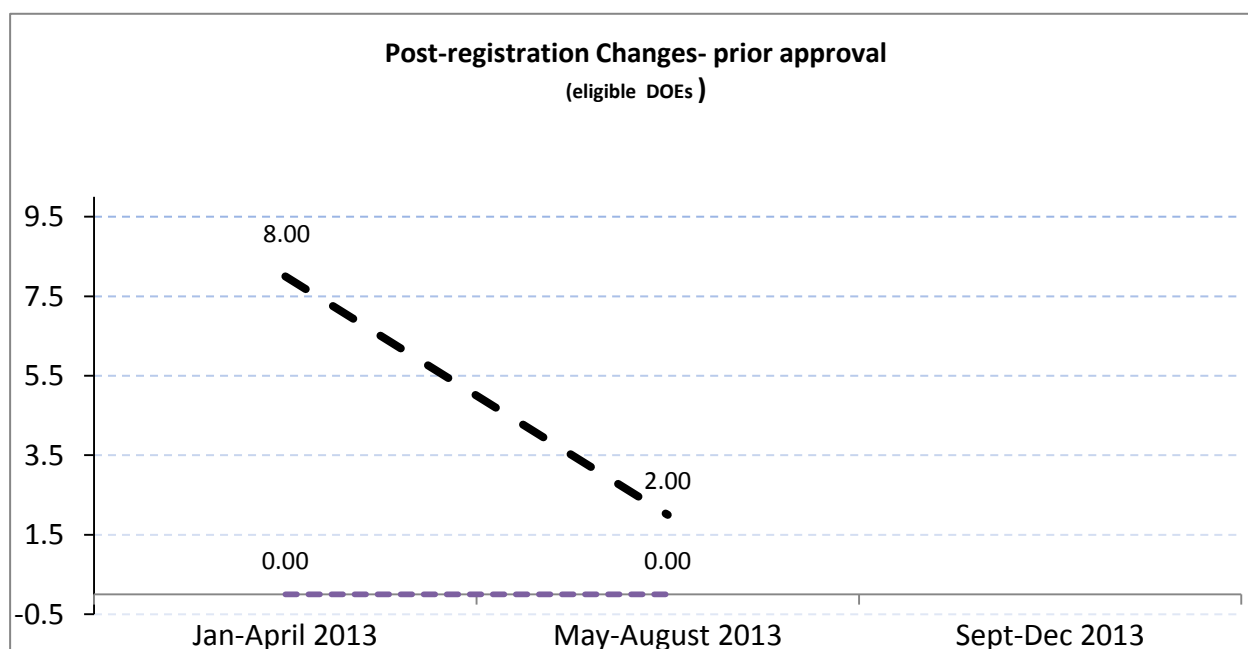
## Appendix 3. Post-registration changes (PRC)

### 1. Overview of DOE performance

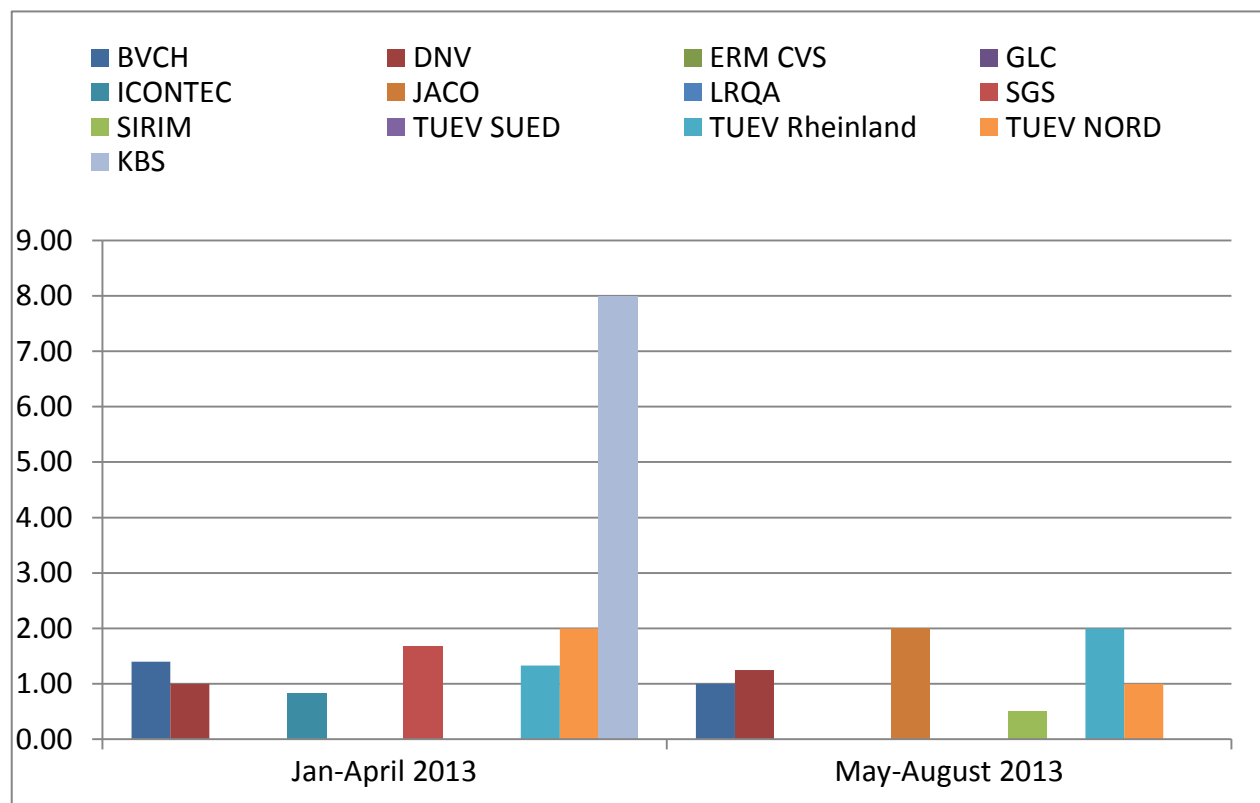
#### 1.1. DOE performance indicator ( $I_4$ – rate of issues on clarifications to DOE/rejection)

1. The trend of  $I_4$  Indicator in the PRC (prior-approval track) process for eligible DOEs and the trend of DOE-wise  $I_4$  Indicator for major DOEs for the seventh and eighth monitoring periods from 1 January to 31 August 2013 is presented below. The performance of DOEs from January to April 2013 and May to August 2013 shows an improving trend of the  $I_4$  Indicator<sup>10</sup> in the PRC process for eligible DOEs.

Figure 1.  $I_2$  Indicator for PRC process

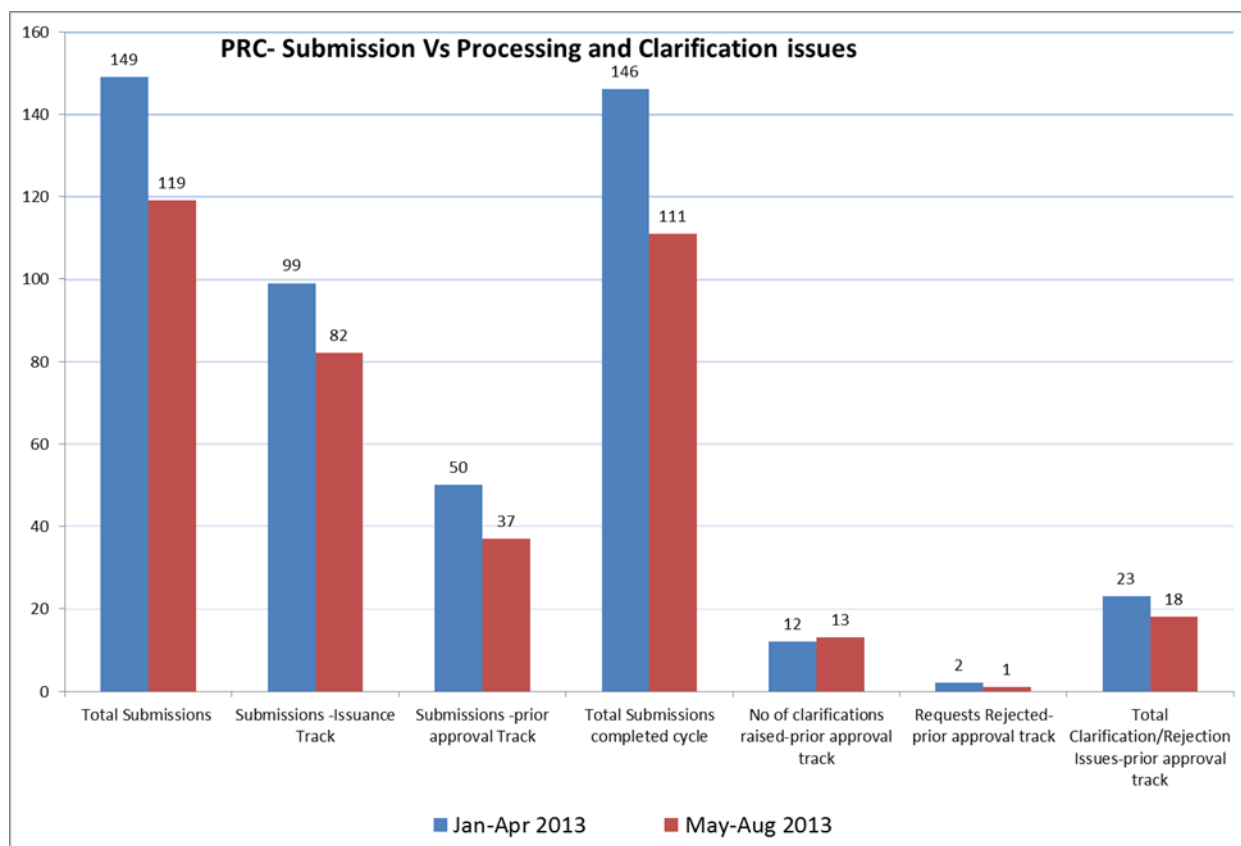


<sup>10</sup> Indicator  $I_4$  is the rate of issues resulting from clarifications from the DOE or rejection of requests for post-registration changes adjusted by weight of the requests: Indicator  $I_2 = \text{SUM (weights of requests for clarification from the DOEs and number of requests rejected for post-registration changes adjusted by weight of the requests)}/\text{number of requests completed}$ .

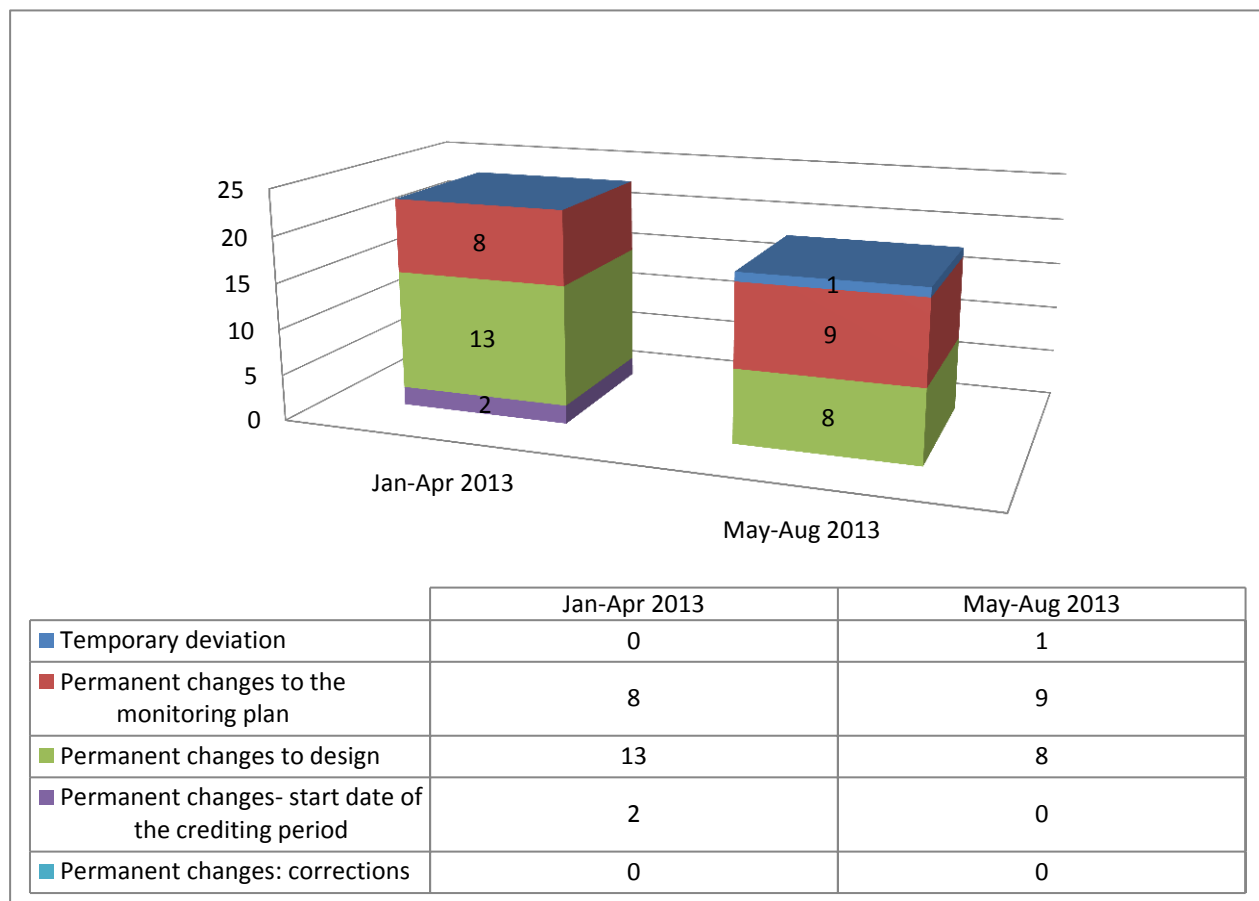
**Figure 2. DOE-wise  $I_4$  indicator for PRC process**

## 1.2. DOE Performance Indicator ( $I_4$ ): classification of issues raised

2. Overview graphics compiling the issues raised in PRC requests for all DOEs (eligible for monitoring) for the monitoring periods of 1 January 2010 to 31 December 2010, 1 January 2011 to 31 December 2011, 1 January 2012 to 31 December 2012, and 1 January 2013 to 31 August 2013 are provided below.

**Figure 3. Post-registration change submissions**



**Figure 4. PRC issues – request for clarification from DOE**

## 2. Analysis of the issues raised

3. This section provides a summary and analysis of the issues raised within the main components checked for PRC submissions in 2013 (January to August):

- (a) Permanent changes to the monitoring plan;
- (b) Permanent changes to design.

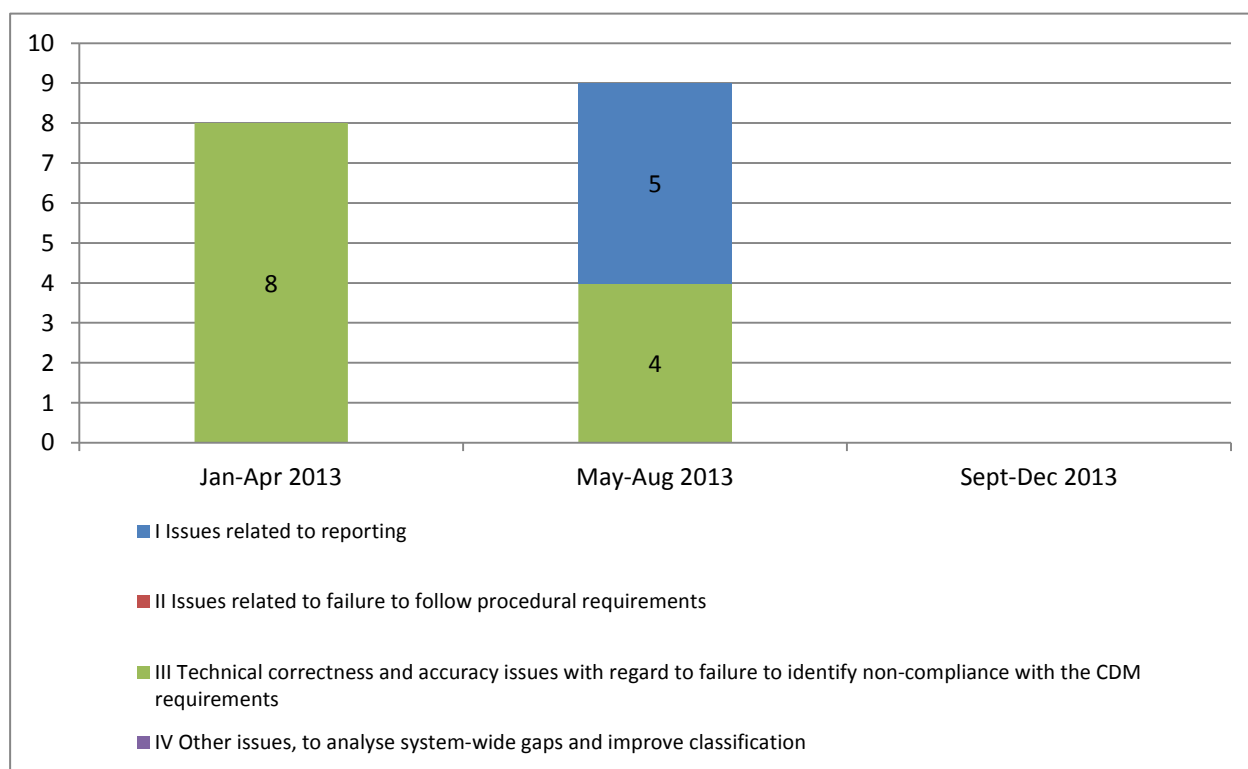
4. There are no issues raised on other components such as deviations, changes to start date of crediting period and corrections.

### 2.1. Permanent changes to the monitoring plan

5. The issues raised in requests for review of PRC were classified into requirements for permanent changes to the monitoring plan. With regard to the proportion of different issues, comparable trends are observed between submissions in the two monitoring periods: the seventh from January to April 2013, and the eighth from May to August 2013. The analysis in the graph in figure 5 below shows that:

- (a) For the seventh monitoring period from January to April 2013, permanent changes to the monitoring plan contribute to 35 per cent of the total request for clarification issues, out of which 100 per cent are technical issues;
- (b) For the eighth monitoring period from May to August 2013, permanent changes to the monitoring plan contribute to 50 per cent of the total request for clarification issues, out of which 44 per cent are technical and the remaining 56 per cent are reporting issues.

**Figure 5. PRC – permanent changes to the monitoring plan: issues by category**

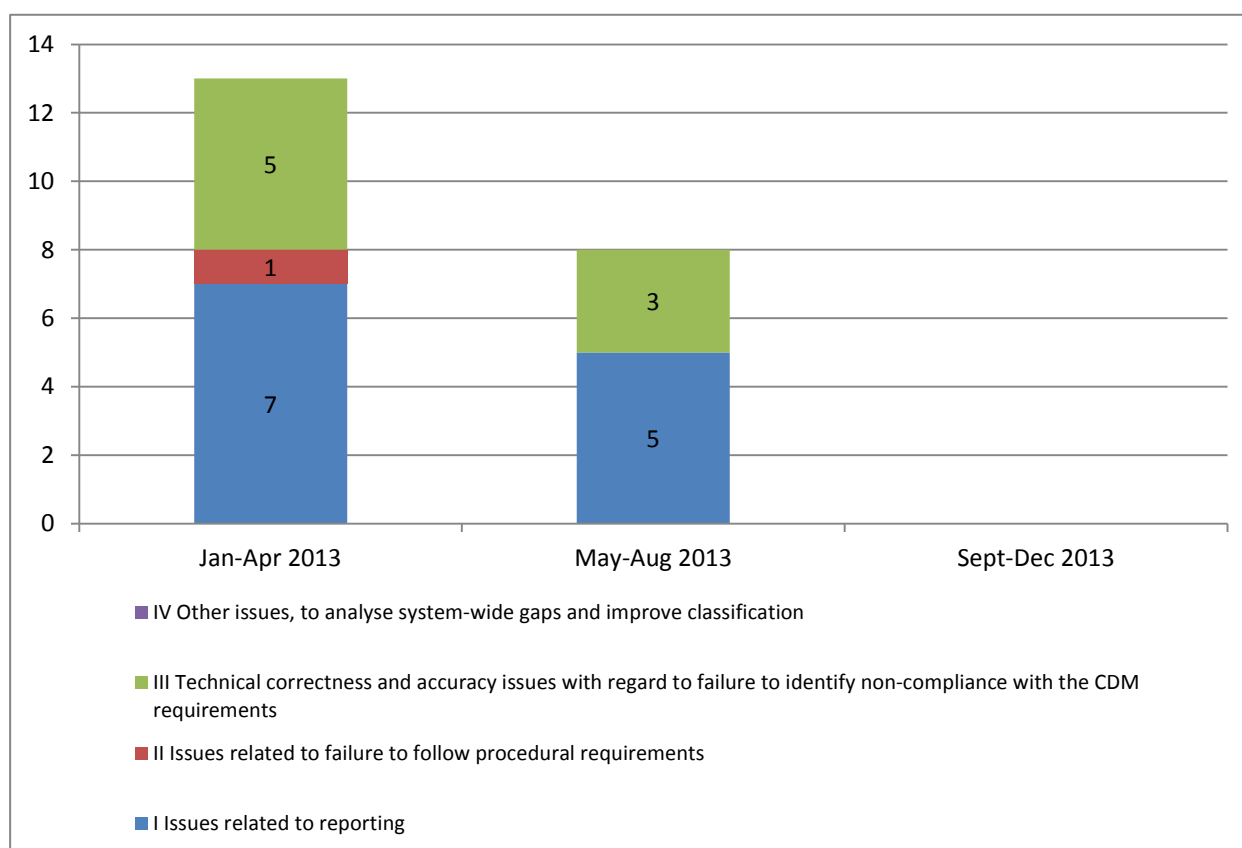


6. The most frequent reporting issues on the monitoring plan are related to reporting. Project 226 for 2014 and project 118 of the CDM management plan (MAP) 2014 (EB 71, annex 1) will focus on the development of standardized validation and verification templates and guidelines. This is expected to contribute to reducing the number of reporting issues raised. In addition, it would be useful to develop templates which may include specific detailed reporting requirements on accuracy of the equipment, calibration, measurement methods and reporting of missing data.
7. The CDM MAP and the Board's 2014 workplan (EB 77, annex 1) mention project 180, which covers the revision of the PS, VVS and PCP. Project 180 may also include the expansion of appendix 1 to the PS to cover common monitoring issues including those not under the control of the project participants or coordinating/managing entities (CMEs).
8. Future workshops for DOEs may include these recurrent issues and explain how the requirements (PCP, PS and VVS) address these issues.

## 2.2. Permanent changes to design

9. The issues raised in requests for review of PRC were classified into requirements for permanent change to project design. With regard to the proportion of different issues, comparable trends are observed between submissions in the two monitoring periods: the seventh from January to April 2013, and the eighth from May to August 2013. The analysis in the graph in figure 6 below shows that:
- For the seventh monitoring period from January to April 2013, permanent change to project design contributes to 57 per cent of the total request for clarification issues, out of which 38 per cent are technical and the remaining 54 per cent are reporting issues;
  - For the eighth monitoring period from May to August 2013, permanent change to project design contributes to 44 per cent of the total request for clarification issues, out of which 38 per cent are technical and the remaining 62 per cent are reporting issues.

**Figure 6. PRC – permanent change to project design: issues by category**

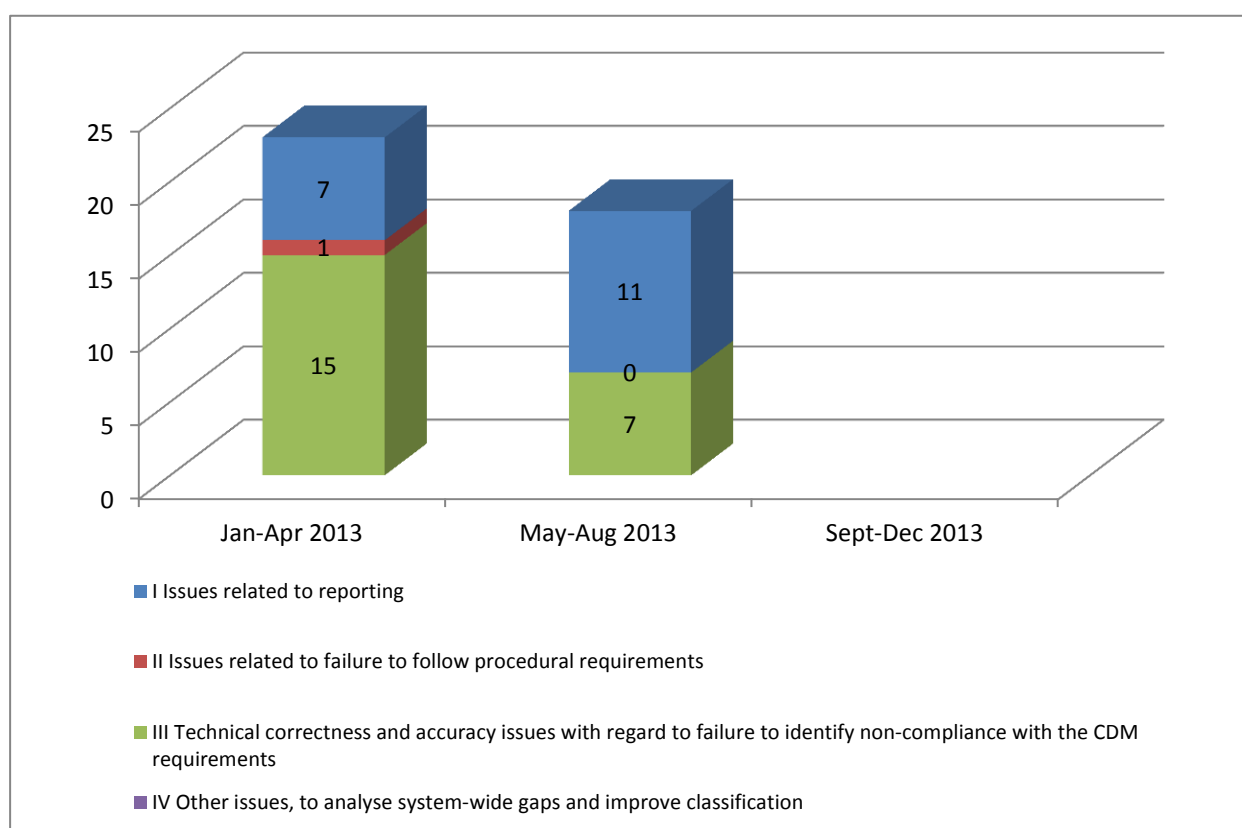


## 3. Other classification and analysis of the issues

10. This section presents the identified issues classified by category. The graphics below illustrate the distribution of the issues raised for PRC cases.

11. The issues raised in requests for clarification from the DOE were classified into categories. With regard to the proportion of different issues, comparable trends are observed between submissions in the two monitoring periods: the seventh from January to April 2013, and the eighth from May to August 2013. The analysis in the graph in figure 7 below shows that:
- For the seventh monitoring period from January to April 2013, 65 per cent of the issues raised were related to technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements, 30 per cent were related to reporting and 4 per cent were related to failure to follow procedural requirements;
  - For the eighth monitoring period from May to August 2013, 39 per cent of the issues raised were related to technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements and 61 per cent were related to reporting.

**Figure 7. PRC – categories of issues**



12. In the context of PRC, assessment efforts may therefore be focused on technical correctness and accuracy issues as mentioned above. However, it is expected that the ongoing work in 2014 on the revision of the PS, VVS and PCP particularly on post-registration changes, such as work related to the extension of appendix 1 of the PS, would also have an effect on this trend.
13. The CDM MAP and the Board's workplan for 2014 mention project 180, which covers the revision of the PS, VVS and PCP. Project 180 may also include: 1) provision of clear

definitions of temporary and permanent change (operational vs. physical/location) and clarifying whether the relocation of a registered CDM project activity to a different location can be considered a permanent change; 2) the expansion of appendix 1 to the PS to cover common monitoring issues including those not under the control of the project participants/CMEs.

14. Moreover, the Board's workplan for 2014 adopted at EB 77 (annex 1) mandates the secretariat to carry out analysis on the post-registration changes on permanent changes, particularly for biomass and hydropower projects, where changes occur due to a change of fuel or operational capacity during the implementation.
15. There are comparatively higher numbers of reporting issues raised. The Board's 2014 workplan has mandated the secretariat to develop standardized templates for validation and verification, in order to reduce the number of reporting issues.
16. With the growing experience of the DOEs in the application of the PCP, PS and VVS, it can be expected that there will be fewer issues in future reporting periods. Further, providing focused training on the application of post-registration changes would contribute to reducing the requests for clarifications from the DOEs. Future workshops may include the recurrent issues and explain how the requirements (PCP, PS and VVS) address these issues.
17. However, as the DOE performance for post-registration changes process has been monitored only for two monitoring periods (eight months), it is too early to draw any final conclusions. Monitoring the trends over the coming periods would be needed.

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### Document information

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