

## Agenda item 3 b

Paragraph 33 of the annotated agenda, Annex 2

# Performance monitoring of designated operational entities

**CDM EB 61**

Bonn, Germany, 30 May to 3 June 2011



# Outline

---

- **Result of the first monitoring period: 1 January -30 June 2010**
- **Result of the second monitoring period: 1 July – 31 December 2010**
- **Summary of the analysis report on the result of the first monitoring period**

# Background

---

- **Monitoring periods**

6 monthly monitoring periods

- **Frequency and nature of reporting**

- 3 monthly reporting on the DOE performance from the end of the monitoring period
  - ✓ Reports to each individual DOE eligible for monitoring
  - ✓ Report to EB on the performance of all DOE s eligible for monitoring
  - ✓ Report to AP
  - ✓ Report to the public
- 6 monthly reporting to EB on system wide improvement

# Result of the first monitoring period

---

- **Performance monitoring period: 1 January to 30 June 2010**
- **Data for submissions finalised as of: 31 March 2011**
- **Nine DOEs are eligible for monitoring (have finalised 10 or more project activities) have provided reports**
- **DOE have been notified to undertake root cause analysis as the first threshold was reached**
  - **DNV and TUV Nord for their validation and verification work**
  - **BVC, JCI, SGS TUV Rheinland and TUV SUD for their validation work**

# Result of the first monitoring period

DOE <sup>1</sup>		PA <sup>2</sup> submitted for registration /issuance	PA for which a final decision was made	% of PA finalised	PA automatically registered	PA not admitted at the completeness -check stage	PA reviewed	PA rejected	PA withdrawn	I1 <sup>3</sup>	I2 <sup>4</sup>
BVCH	R	36	29	81%	19	17	10	2	0	0,59	1,59
	I	47	46	98%	38	4	8	1	2	0,09	0,46
CEC	R	-	-	-	-	-	-	-	-	-	-
	I	13	12	92%	12	6	0	0	0	0,50	0
DNV	R	122	111	92%	66	31	35	4	0	0,28	1,11
	I	144	132	92%	108	64	24	4	1	0,48	0,79
ERM CVS	R	-	-	-	-	-	-	-	-	-	-
	I	11	11	100%	10	2	1	0	0	0,18	0

<sup>1</sup> Only DOEs that have had more than 10 projects finalised are subject to monitoring

<sup>2</sup> Project activity

<sup>3</sup> Rate of rejections at completeness check

<sup>4</sup> Rate of requests for review

# Result of the first monitoring period

<b>JCI</b>	<b>R</b>	16	11	69%	6	0	5	0	0	0	1,09
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>SGS</b>	<b>R</b>	51	42	82%	28	13	14	1	0	0,31	0,83
	<b>I</b>	106	104	98%	83	15	21	1	1	0,14	0,24
<b>TÜV NORD</b>	<b>R</b>	52	47	90%	35	20	11	1	1	0,43	1,19
	<b>I</b>	28	28	100%	25	12	3	1	1	0,43	0,68
<b>TÜV Rheinla nd</b>	<b>R</b>	41	32	78%	25	11	7	1	0	0,34	0,78
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>TÜV SÜD</b>	<b>R</b>	58	39	67%	23	25	16	0	0	0,64	1,18
	<b>I</b>	42	37	88%	31	10	6	1	0	0,27	0,32

# Result of the first monitoring period

---

- **Performance monitoring period: 1 July to 31 December 2010**
- **Data for submissions finalised as of: 31 March 2011**
- **Nine DOEs are eligible for monitoring (have finalised 10 or more project activities) have been provided reports**
- **No DOE has reached the yellow or red zone**

# Result of the Second monitoring period

DOE <sup>1</sup>		PA <sup>2</sup> submitted for registration /issuance	PA for which a final decision was made	% of PA finalised	PA automatically registered	PA not admitted at the completeness -check stage	PA reviewed	PA rejected	PA withdrawn	I1 <sup>3</sup>	I2 <sup>4</sup>
BVCH	R	33	25	76%	25	0	0	0	0	0	0
	I	88	81	92%	38	3	0	0	5	0,04	0,10
CEC	R	-	-	-	-	-	-	-	-	-	-
	I	10	10	100%	10	2	0	0	0	0,20	0
DNV	R	90	57	63%	57	1	0	0	0	0,02	0
	I	87	75	86%	70	13	3	0	2	0,17	0,08
ERM CVS	R	11	8	73%	8	2	0	0	0	0,25	0
	I	28	26	93%	26	0	0	0	0	0	0

<sup>1</sup> Only DOEs that have had more than 10 projects finalised are subject to monitoring

<sup>2</sup> Project activity

<sup>3</sup> Rate of rejections at completeness check

<sup>4</sup> Rate of requests for review

# Result of the Second monitoring period

LRQA	R	11	6	55%	6	0	0	0	0	0	0
	I	10	7	70%	7	0	0	0	0	0	0
SGS	R	42	24	57%	24	0	0	0	0	0	0
	I	117	107	91%	101	5	6	1	2	0,05	0,21
TÜV NORD	R	39	23	59%	23	0	0	0	0	0	0
	I	69	58	84%	51	8	5	1	3	0,14	0,5
TÜV Rheinland	R	37	20	54%	20	0	0	0	0	0	0
	I	-	-	-	-	-	-	-	-	-	-
TÜV SÜD	R	31	20	65%	20	2	0	0	0	0,10	0
	I	56	50	89%	47	5	2	0	1	0,10	0,16

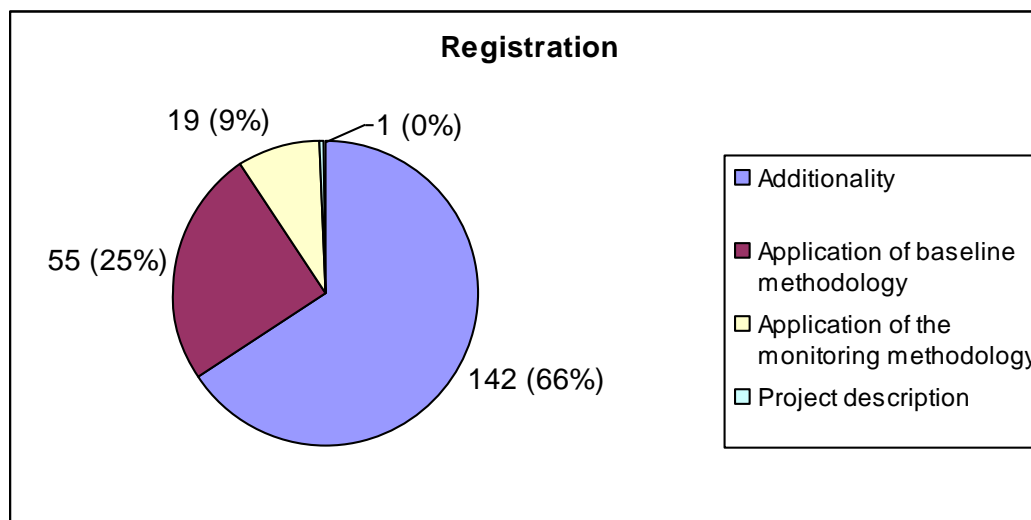


## Analysis reports

---

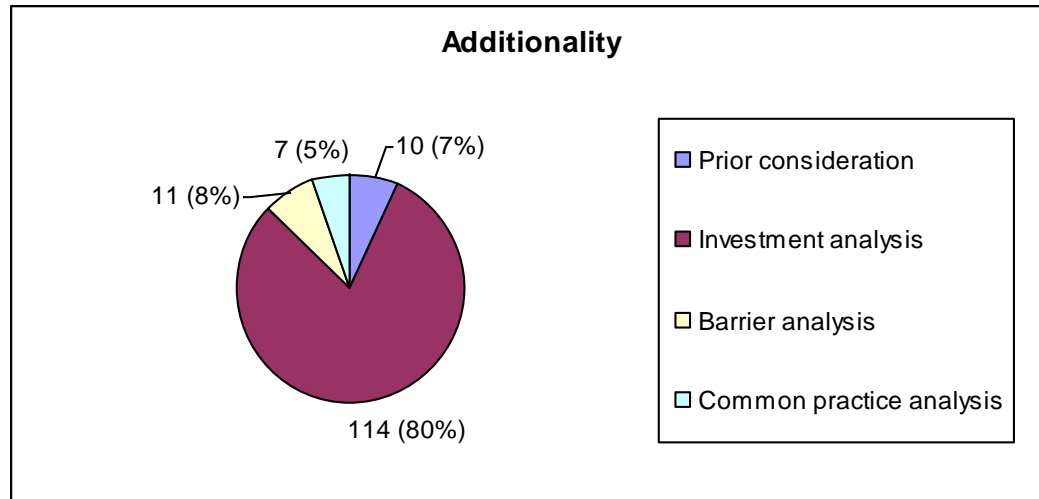
- **Summarises and analyses the finding from the first monitoring period running from 1 January to 30 June 2010 and accounting for data and submissions finalised as of the 31 March 2011.**

## Registration - Overview



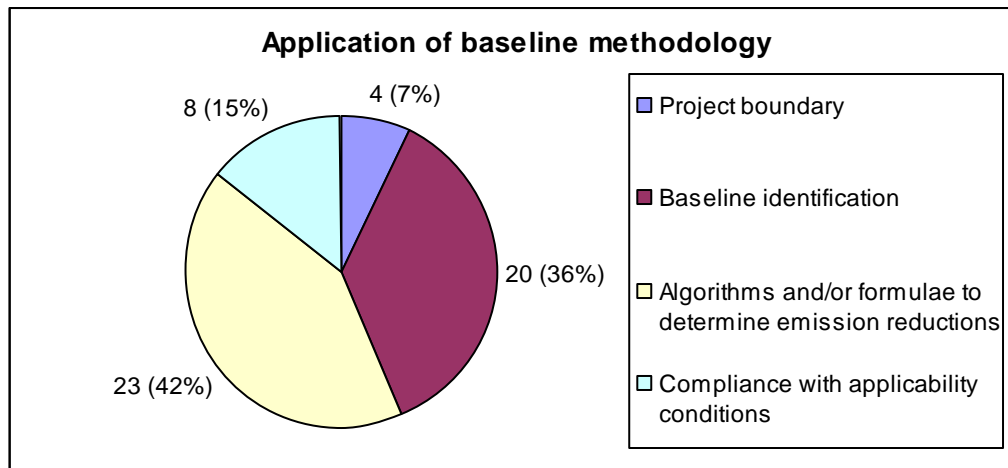
- **Recommended that the Board allow the secretariat to focus its assessment of a sample of submissions on additionality and application of baseline methodology. The rest of the submissions shall still be fully assessed to allow accounting for new arising issues.**

## Additionality



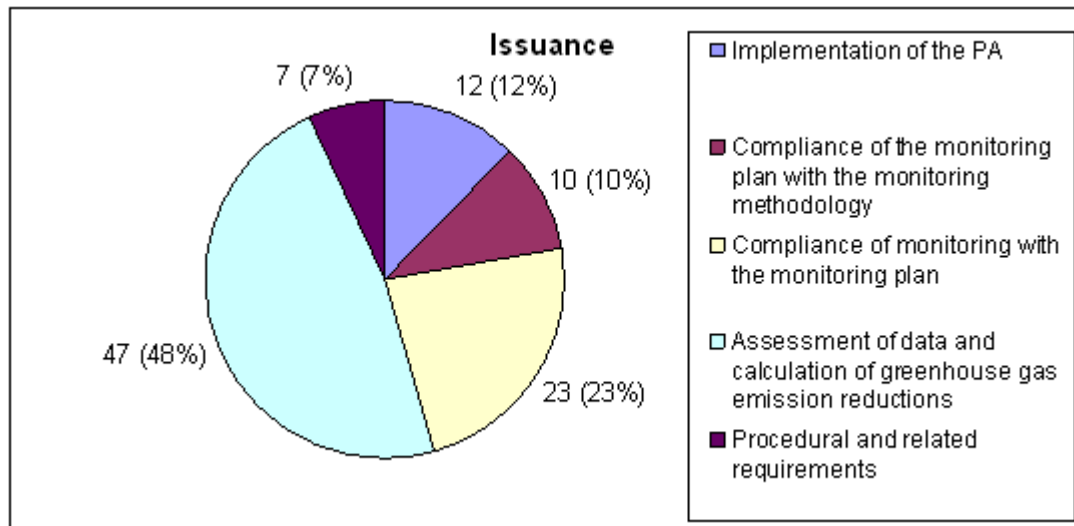
- **It is recommended to**
  - **Revise the “Guidelines on the assessment of investment analysis” to address the issue of benchmark determination and to further elaborate the guidance for investment analysis especially with regard to the determination of fair values and the validation of input values and sensitivity analysis.**
  - **Train DOEs on investment analysis**

## Application of baseline methodology



- Most of the issues identified are related to the assessment of the calculation of the GEF and the substantiation of the elimination of other baseline scenarios.
- It is recommended that priority be given to these issues in the development of standardized baselines.

## Issuance - Overview



- **It is recommended that the Board allow the secretariat**
  - **to focus its assessment of a sample of submissions on the assessment of data and calculation of greenhouse gas emission reductions.**
  - **In a sample of submissions not to assess the procedural requirements.**
  - **The rest of the submissions shall still be fully assessed to allow accounting for new arising issues.**

## Issuance - Analysis of the issues raised

---

- **Assessment of data and calculation of greenhouse gas emission reductions**  
Issues raised are due to discrepancy of the data reported, non clarity of the reporting and missing data.
  
- **Compliance of the monitoring with the monitoring plan**  
Issues raised mainly related to calibration and lack of explanations on how some parameters were verified.
  
- **It is recommended to that the Board**
  - requests DOEs to better substantiate their reports, implement a better quality control checks at their end and strengthen their technical review process in order to avoid reviews occurring for such issues.
  - Develops a more specific verification reporting templates and introduces digitization for the reporting and verification of monitored data.



## Expected outcome from the Board

---

- **Address the issues related to investment analysis through improvement of its guidance**
- **Train DOEs in additionality in general and improve the Board's guidance in common practise, prior consideration and barrier analysis;**
- **Prioritize work in preparing validation and verification templates in order to reduce reviews related to reporting and missing data;**
- **Request DOEs to strengthen their quality check procedures, their technical review process and train their personnel in the issues where most of the reviews are triggered.**
- **Explore ways on how to speed-up the assessment process to allow a faster decision making on project and therefore allow a faster analysis of the issues arising and appropriate recommendations at the earliest; Such ways may be the targeted assessment as proposed above. The Board may wish also to consider sampling as it would be more efficient in addressing the issue of the length of time that submissions take before a decision is made.**

