

## Agenda item 2.3

Paragraph 9 of the annotated agenda

# Performance monitoring of designated operational entities

**CDM EB 65**

Durban, South Africa, 21-25 November, 2011



- **Result of the second monitoring period: 1 July – 31 December 2010**
- **Result of the third monitoring period: 1 January – 30 June 2011**
- **Initial summary of the second analysis report on the result of the first, second and third monitoring period**

- **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 are provided to each individual DOE that are eligible for monitoring
    - ✓ Report to the EB on the performance of all DOE s that are eligible for monitoring
    - ✓ Report to AP
    - ✓ Report to the public
  - 6 monthly reporting to EB on system wide improvement



- a) Performance monitoring period: 1 July to 31 December 2010**
- b) Data for submissions finalised as of: 30 September 2011**
- c) Nine DOEs that were eligible for monitoring (i.e. have finalised 10 or more project activities) have provided reports**
- d) DOEs were notified of the need to undertake root cause analysis when they reached the first threshold**
  - TÜV Nord for its validation and verification work**
  - BVC, DNV, LRQA, SGS, TÜV Rheinland and TÜV SÜD for their validation work**
- a) One DOE (LRQA) was the subject of a spot check when the second threshold was reached for its verification work**

## 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of PA finalised	PA automatically registered	PA not admitted at the completeness- check stage	PA reviewed	PA rejected	PA withdrawn	I1 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	33	100%	28	5	5	2	0	0,15	1,30
	I	87 <sup>5</sup>	87	100%	81	8	3	0	4	0,09	0,10
CEC	R	-	-	-	-	-	-	-	-	-	-
	I	10	10	100%	10	2	0	0	0	0,20	0
DNV	R	89	84	94%	60	6	18	3	6	0,07	1,14
	I	87	86	99%	75	20	9	2	2	0,23	0,29
ERM	R	11	10	91%	9	3	1	0	0	0,30	0,30
	I	28	28	100%	28	2	0	0	0	0,07	0
LRQA	R	11	10	91%	6	0	4	0	0	0	1,40
	I	10	10	100%	7	0	3	2	0	0	1,70 <sup>6</sup>

<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

<sup>5</sup> Due to IT system error

<sup>6</sup> The spot-check has already been realised



## Result of the second monitoring period

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<b>SGS</b>	<b>R</b>	42	41	98%	31	9	10	1	0	0,22	0,90
	<b>I</b>	117	116	99%	104	8	12	4	2	0,07	0,35
<b>TÜV NORD</b>	<b>R</b>	39	37	95%	28	5	9	1	0	0,14	1,32
	<b>I</b>	69	68	99%	58	17	8	2	3	0,25	0,59
<b>TÜV Rheinland</b>	<b>R</b>	37	33	89%	26	5	7	1	0	0,15	0,70
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>TÜV SÜD</b>	<b>R</b>	31	26	84%	20	2	6	1	0	0,08	0,73
	<b>I</b>	56	55	98%	50	8	4	0	1	0,15	0,31

- a) Performance monitoring period: 1 January to 30 June 2011**
- b) Data for submissions finalised as of: 30 September 2011**
- c) Fifteen DOEs that were eligible for monitoring (i.e. had finalised 10 or more project activities) have provided reports**
- d) DOEs were notified of the need to undertake root cause analysis when the first threshold was reached**
  - DNV, SIRIM and TÜV NORD for their validation work**
  - TÜV SÜD for its verification work**

## Result of the third monitoring period

DOE		PA submitted for registration / issuance	PA or 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	I2
BVCH	R	48	40	83%	39	8	1	0	0	0,20	0,10
	I	85	82	96%	79	2	2	1	2	0,02	0,10
CEC	R	11	9	82%	8	1	1	0	0	0,11	0,11
	I	14	14	100%	14	2	0	0	0	0,14	0
CQC	R	-	-	-	-	-	-	-	-	-	-
	I	10	8	80%	8	2	0	0	0	0,25	0
DNV	R	121	92	76%	84	10	8	2	1	0,11	0,67
	I	139	124	89%	114	9	7	4	3	0,07	0,21
ERM	R	23	17	74%	16	3	1	0	0	0,18	0,18
	I	23	23	100%	21	1	2	0	0	0,04	0,09
JACO	R	11	6	55%	6	1	0	0	0	0,17	0
	I	-	-	-	-	-	-	-	-	-	-
JCI	R	11	7	64%	6	3	1	0	0	0,43	0,43
	I	-	-	-	-	-	-	-	-	-	-

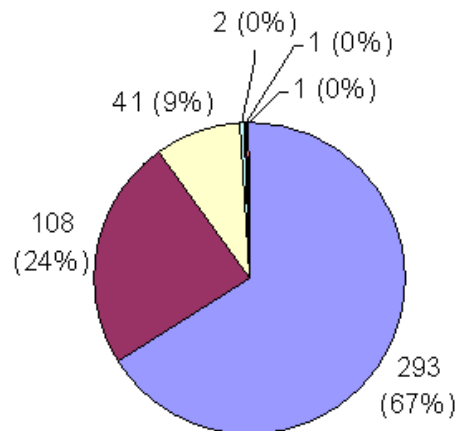


## Result of the third monitoring period

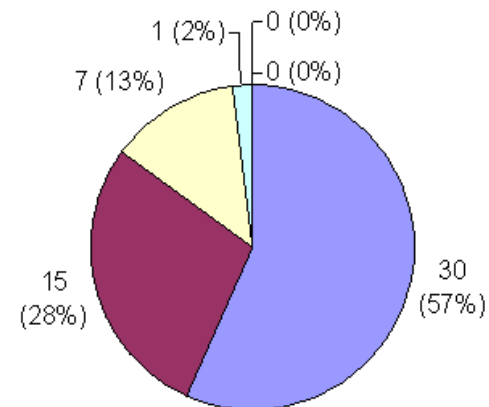
<b>KFQ</b>	<b>R</b>	10	8	80%	7	2	1	0	0	0,25	0,38
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>LRQA</b>	<b>R</b>	14	13	93%	13	1	0	0	0	0,08	0
	<b>I</b>	15	14	93%	13	5	1	0	1	0,36	0,29
<b>RINA</b>	<b>R</b>	13	10	77%	10	3	0	0	0	0,30	0
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>SGS</b>	<b>R</b>	43	29	67%	28	5	1	0	0	0,17	0,10
	<b>I</b>	139	133	96%	130	11	3	0	2	0,08	0,14
<b>SIRIM</b>	<b>R</b>	12	4	33%	3	0	1	0	0	0,00	2
	<b>I</b>	-	-	-	-	-	-	-	-	-	-
<b>TÜV NORD</b>	<b>R</b>	61	40	66%	35	8	5	1	0	0,20	0,73
	<b>I</b>	70	62	89%	58	9	3	0	2	0,15	0,08
<b>TÜV Rheinland</b>	<b>R</b>	59	42	71%	40	5	2	0	0	0,12	0,17
	<b>I</b>	33	29	88%	29	4	0	0	0	0,14	0
<b>TÜV SÜD</b>	<b>R</b>	48	23	48%	21	6	2	0	0	0,26	0,30
	<b>I</b>	66	60	91%	55	6	5	1	4	0,10	0,75

- **Summary and analysis of the findings of the first, second and third monitoring periods**
  - 1) **1 January to 30 June 2010**
  - 2) **1 July to 31 December 2010**
  - 3) **1 January to 30 June 2011**
  
- **The data from first and second monitoring periods were combined into one, consolidating the data for 2010**
  
- **This report uses data for submissions finalised as of the 30 September 2011**

## Registration (2010)



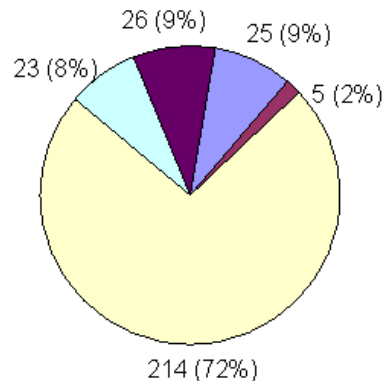
## Registration (Jan – Jun 2011)



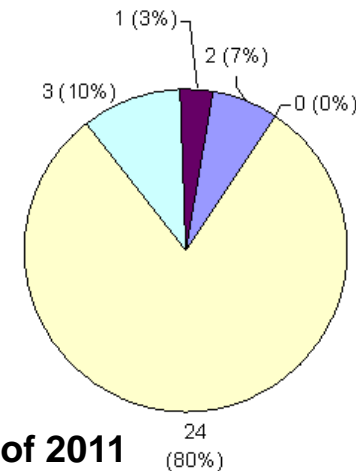
- **Same trends as in 2010 could still be observed in the first semester of 2011**
- **Recommend that the Board instruct the secretariat to focus their assessment on a sample of submissions - additionality and application of baseline methodology - as suggested for the first analysis report**
- **The rest of the submissions to be fully assessed to allow for the identification of, and accounting for, new issues**

- Additionality
- Application of baseline methodology
- Application of the monitoring methodology
- Project description
- Procedural and related requirements
- Other CDM requirements

## Additionality (2010)



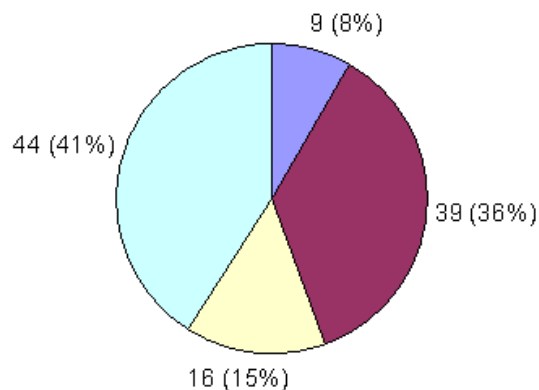
## Additionality (Jan – Jun 2011)



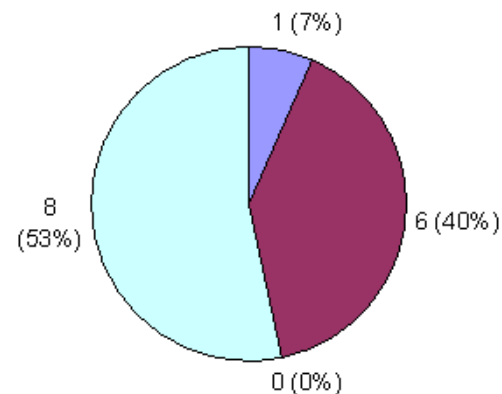
- The results from 2010 are comparable to the first semester of 2011
- Issues related to investment analysis still dominate
- The effects of the revision on the “Guidelines on the assessment of investment analysis” and the training that was carried out this year are not visible during this monitoring period. Effects may appear in the next monitoring period;
- Recommend that the secretariat investigates why DOEs continue to experience difficulties with the validation of investment analysis



## Application of the baseline methodology (2010)



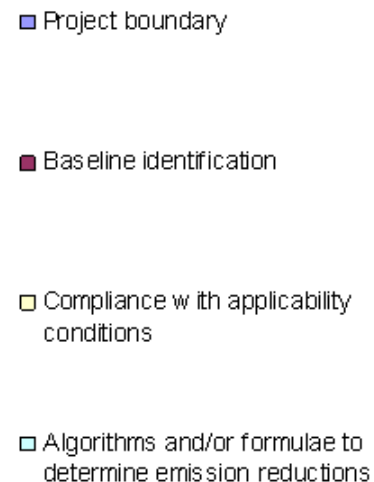
## Application of the baseline methodology (Jan – Jun 2011)



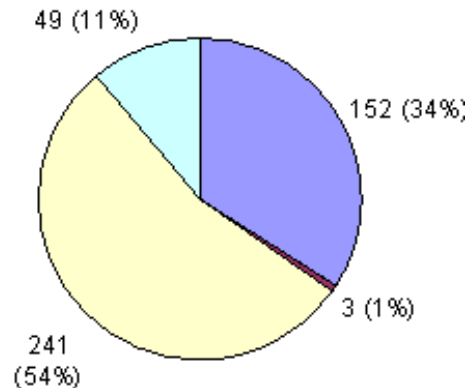
- **Issues related with algorithms and/or formulae to determine emission reductions and baseline identification continue to constitute the majority of the issues raised**

- **Most of the issues raised are still related to the calculation of the GEF and alternative baseline scenarios. Therefore it is recommended that priority be given to these issues in the development of standardized baselines**

- **Up to now there are no issues from first semester of 2011 related to compliance with applicability conditions on the application of the baseline methodology: this trend should however continue to be monitored**

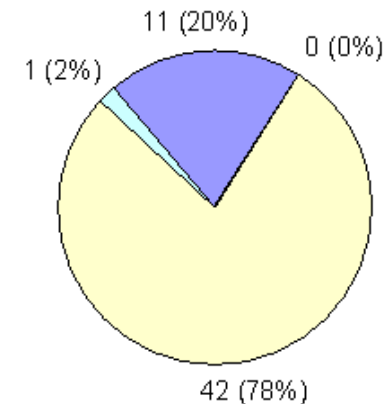


## Registration (2010)



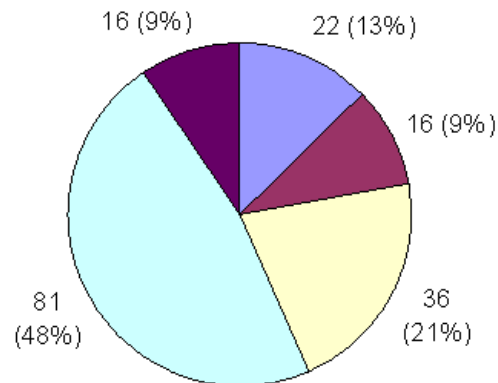
- **Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements and issues related to reporting are pre-eminent**
- **Recommend not to assess issues related to failure to follow procedural requirements in a sample of submissions**
- **The rest of the submissions to be fully assessed to allow for the identification of, and accounting for, new issues**
- **Issues related to reporting remain high indicating the need to prioritise work on a standard template for reporting**

## Registration (Jan – Jun 2011)

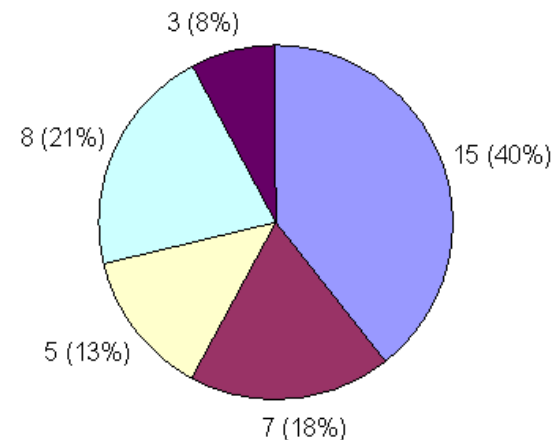


- I ) Issues related to reporting
- II ) Issues related to failure to follow procedural requirements
- III ) Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements
- IV ) Other issues, to analysis system-wide gaps and improve classification

## Issuance (2010)



## Issuance (Jan – Jun 2011)



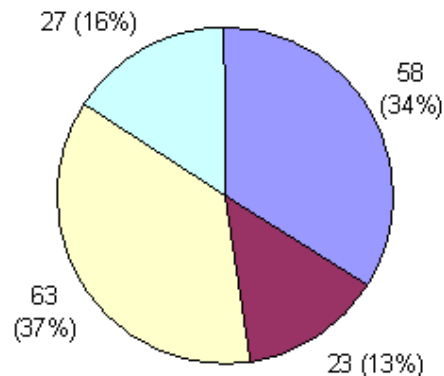
▪ Different trends between 2010 and 2011 can now be observed in the issues raised

▪ Recommend to focus assessment of a sample of submissions on the implementation of the PA and the assessment of data and calculation of greenhouse gas emission reductions

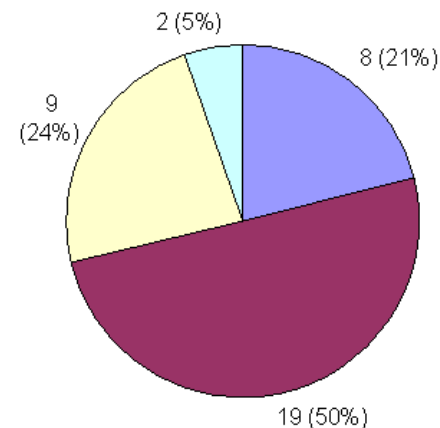
▪ The rest of the submissions to be fully assessed to allow for the identification of, and accounting for, new issues

- Implementation of the PA
- Compliance of the monitoring plan with the monitoring methodology
- Compliance of monitoring with the monitoring plan
- Assessment of data and calculation of greenhouse gas emission reductions (BE, FE, ER calculation)
- Procedural and related requirements

## Issuance (2010)



## Issuance (Jan – Jun 2011)



- Different trends observed in 2011 than those in 2010
- All the categories for issuance in 2010 have a significant number of issues while a majority of submission in 2011 have issues related to failure to follow procedural requirements
- It is therefore recommended to concentrate assessment efforts in this category. However, it is expected that the new procedures for post registration changes would have an effect on this trend
- Issues related to reporting continue to be high, it is therefore recommended to prioritise work on standard templates for reporting.

- I) Issues related to reporting
- II) Issues related to failure to follow procedural requirements
- III) Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements
- IV) Other issues, to analysis system-wide gaps and improve classification

- **Train DOEs with a focus in the general aspects of additionality while improving the Board's guidance on financial analysis, common practise, prior consideration and barrier analysis**
- **Explore ways of simplifying the approach to validation of additionality**
- **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 have been triggered**

**Further analysis is currently underway that may result in further, more specific, recommendations**

- Take note of the reports
- Request the secretariat to continue with further analysis and provide more specific recommendations if appropriate