

CDM-EB58-A01-PROC

Procedure

Performances monitoring of designated operational entities

Version 03.0



United Nations
Framework Convention on
Climate Change

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1. Introduction

1.1. Background

1. This “Procedure on performance monitoring of designated operational entities” sets a requirement to monitor performance and address non-compliance by designated operational entities (DOEs) in a systematic manner.
2. The “Procedure for accrediting operational entities by the Executive Board of the Clean Development Mechanism” (the CDM accreditation procedure) relies in many of its steps (e.g. definition of the number and type of performance assessments, regular on-site surveillance, assessment of non-central sites, and spot-check) on the results of the performance monitoring of the DOE.

1.2. Objective

3. The objective of this procedure is to foster improvement of the performance of DOEs, and provide the Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) and the CDM Accreditation Panel (CDM-AP) with tools for informed decision making on actions in the accreditation process. The data compiled shall also foster system wide improvements via identification of issues where guidance or requirements lack clarity or are non-existent.

2. Scope

2.1. Scope

4. This procedure monitors the performance of DOEs through the monitoring, classification and rating of the non-compliances identified at the requests for registration, issuance or post-registration changes submitted by DOEs. It provides for monitoring, classification and categorization of non-compliance into pre-defined sub-categories and assigns weights to be used for classifying and grading non-compliances. It establishes a rating system for all DOEs’ non-compliances, comparing the indicators with the agreed thresholds and recommending appropriate actions, to be carried out system-wide.
5. The procedure establishes a system to compile information to calculate indicators relevant to the performance of DOEs at the stages of request for registration, request for issuance and request for post-registration changes. It establishes thresholds to evaluate the performance of DOEs at two stages: request for registration and request for issuance. The current version of the procedure does not provide for thresholds at the request for post-registration changes stage. Once the secretariat has accumulated a statistically relevant amount of information about this stage, the Board may revise this procedure in order to establish thresholds as well as the consequences stemming from reaching these thresholds.
6. This procedure is not intended to provide for comparative ranking of DOEs, but to indicate the level of performance and compliance of individual DOEs with the CDM requirements. Its implementation should be complemented with system-wide analysis and improvement.

7. The results of the DOEs performance monitoring are communicated in the following ways to DOEs, the CDM-AP and the Board.
 - (a) Reporting to DOEs on their performance has three main objectives:
 - (i) Providing feedback on their performance with relevant information that would allow them to conduct a root-cause analysis of the deficiencies in their validation/verification work;
 - (ii) Informing DOEs of their performance and level of their indicators so that they are aware whether the thresholds have been reached or are about to be reached;
 - (iii) Informing DOEs of whether any further action has been decided on;
 - (b) Reporting to the CDM-AP shall provide tools for an informed decision making. The CDM accreditation procedure relies in many of its steps (e.g. determination of number and type of performance assessments, regular on-site surveillance, assessment of non-central sites, and spot-check) on the results of the DOE performance monitoring;
 - (c) Reporting to the Board as the final decision making body to provide it with all relevant data for its decision-making. Such data shall also allow system-wide improvement via the identification of issues where guidance or requirements lack clarity or are non-existent.

2.2. Applicability

8. This procedure is applicable to the performance of DOEs during their entire accreditation term, from the date of accreditation of an entity by the Board until the expiry of its accreditation. The provisions of this procedure are not applicable during a suspension of the accreditation of the entity.
9. The monitoring of the performance of DOEs is based on the compilation of data through the assessment of the requests for registration, issuance and requests for post-registration changes submitted by the DOE regarding CDM project activities. This procedure does not monitor the performance of DOEs with regard to programmes of activities (PoAs). Once the secretariat has accumulated a statistically relevant amount of information about requests related to PoAs, the Board may revise this procedure in order to monitor the performance of DOEs with regard to PoAs.

2.3. Entry into force

10. This procedure shall be applicable from the time at which the first monitoring reports corresponding to requests for registration, issuance and post-registration changes submitted during 2013 are to be issued.

3. Definitions

11. In addition to the definitions contained in the “Glossary of CDM Terms” the following definitions of terms are used in this document:
 - (a) **DOE performance** - how successfully a DOE carries out its validation and verification functions, as defined in the annex to decision 3/CMP.1 (Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol), other decisions of the Conference of the Parties serving as meeting of the Parties to the Kyoto Protocol(CMP) and the Board;
 - (b) **Non-compliance** - failure to meet a CDM requirement.

4. Data compilation and classification of information on performance

4.1. Classification and grading of non-compliances

12. The monitoring of the performance of a DOE is based on the compilation of data through the assessment and review, as applicable, of the requests for registration, issuance and requests for post-registration changes submitted by the DOE; the identification of non-compliances, if any, and their classification into predetermined categories that are as follows:
 - (a) Issues related to reporting;
 - (b) Issues related to failure to follow procedural requirements;
 - (c) Technical correctness and accuracy issues with regard to failure to identify non-compliance with CDM requirements;
 - (d) Other issues, to analyse system-wide gaps and improve classification.
13. Appendices 1, 2 and 3 detail the above identified categories into subcategories for the processes of registration (appendix 1), issuance (appendix 2) and post-registration changes (appendix 3). This further subdivision is provided in order to reduce the level of subjectivity during the identification of non-compliances and to provide sufficient information to DOEs to allow them to understand their performance and appropriately focus their internal improvement efforts.
14. Appendices 1, 2 and 3 also include a weighting for the various categories, based on the severity and potential impact on the credibility of the accreditation processes. A linear scale using values between 1 (minimum) and 5 (maximum) is used in order to minimize subjectivity during the rating while still allowing sufficient differentiation between the issues based on their severity.

4.2. Definition of performance indicators

15. Based on the classification and weights referred to in paragraphs 12 to 14 above, the secretariat shall measure for each DOE the performance indicators defined in paragraphs 16 and 17 below.

16. The secretariat shall calculate, for each of the requests for registration and issuance submitted during a given monitoring period as defined in paragraph 32 below, the following performance indicators:
- (a) **Rate of incomplete submissions at completeness check (CC)** calculated as the number of requests concluded as incomplete at completeness check divided by the number of requests submitted which have completed the cycle,¹ regardless of the number of issues identified in each incomplete submission:
 - (i) Indicator $I_{1,CC}$ = number of requests concluded as incomplete at completeness check/number of requests completed;²
 - (b) **Rate of incomplete submissions at information and reporting check (IRC)** calculated as the number of requests concluded as incomplete at information and reporting check divided by the number of requests submitted which have completed the cycle, regardless of the number of issues identified in each incomplete submission:
 - (i) Indicator $I_{1,IRC}$ = number of requests concluded as incomplete at information and reporting check/number of requests completed;
 - (c) **Rate of requests for review adjusted by weight of the requests, as referred to in paragraph 14:**
 - (i) Indicator I_2 = SUM (weights of request for reviews)/Number of requests completed.
17. The secretariat shall calculate the following indicators for each of the requests for post-registration changes submitted during a given monitoring period as defined in paragraph 32 below:
- (a) **Rate of incomplete submissions at completeness check** of the post-registration changes calculated as the number of requests concluded as incomplete at completeness check divided by the number of requests submitted which have completed the cycle,³ regardless of the number of issues identified in each rejection:
 - (i) Indicator I_3 = number of requests concluded as incomplete at completeness check/number of requests completed;⁴

¹ A request for registration/issuance completes its cycle once a final decision (approval, rejection, or withdrawal) is taken in a given monitoring period.

² The indicators $I_{1,CC}$ and $I_{1,IRC}$ are dependent of the number of times a particular request is rejected at CC or IRC.

³ A request for post-registration change completes its cycle once a final decision (approval or rejection) is taken in a given monitoring period.

⁴ The indicator I_3 is dependent on the number of times a particular request is rejected at completeness check.

- (b) **Rate of issues required for clarifications from the DOE and requests for post- registration changes** adjusted by weight of the requests:
- (i) Indicator I4 = SUM (weights of 'requests for clarification from the DOE'⁵ and number of requests rejected for post-registration changes adjusted by weight of the requests)/number of requests completed.
18. The indicators shall be calculated based on those requests for which a final decision (approval, rejection or withdrawal as per paragraph 19 below) was taken in a given monitoring period.
19. The withdrawal of a submitted request for registration, issuance or post-registration change shall be treated as follows:
- (a) Any request for withdrawal of request for registration or issuance or post-registration changes shall not be considered/counted in the calculation of indicators I_{1,CC}, I_{1,IRC}, and I3;
- (b) Any request for withdrawal of request for registration or issuance shall:
- (i) Not be considered/counted in the calculation of indicator I2 if the withdrawal request is made prior to the notification of request for review of registration or issuance;
- (ii) Be considered/counted in the calculation of indicator I2 if the withdrawal request is made after the notification of request for review of registration or issuance;
- (c) Any request for withdrawal of post-registration changes shall not be considered in the calculation of indicator I4.

4.3. Data compilation and calculation of indicators

4.3.1. Data compilation and calculation of indicators I_{1,CC}, I_{1,IRC} and I2

20. Once a DOE submits a request for registration/issuance, the secretariat shall assess the submitted documentation at three stages, to determine whether it meets the CDM requirements and shall calculate the indicators as follows:
- (a) At the **completeness check stage**: based on this assessment, the submission shall be either deemed complete or incomplete. Based on the rate of submissions concluded as incomplete the indicator I_{1,CC} shall be calculated;
- (b) At the **information and reporting check stage**: based on this assessment, the submission shall be either deemed complete or incomplete. Based on the rate of rate of submissions concluded as incomplete the indicator I_{1,IRC} shall be calculated;

⁵ As per the project cycle procedure (PCP), the term "requests for clarification from the DOE" is a step in the PCP where the DOE provides the response to the clarifications raised during the summary note preparation stage of the post-registration change process.

- (c) At the **request for review stage**. The next steps have to be followed to calculate indicator I2:
- (i) Non-compliance issues shall be identified and classified into categories and subcategories as specified in appendices 1 and 2;
 - (ii) A weighting shall be attached to each of the issues identified. Each registration and issuance request will be given an overall weight equal to the sum of the identified weights of individual issues, including those that are closed after the provision of further information/documentation by the DOE;
 - (iii) The weighting of non-compliance issues shall be finalized only after a final decision on the specific request has been made;
 - (iv) Based on the final weighting of the issues identified, the indicator I2 shall be calculated.

4.3.2. Data compilation and calculation of the indicators I3 and I4

21. Once a DOE submits a request for post-registration changes,⁶ the secretariat shall assess the submitted documentation in two stages, to determine whether it meets the CDM requirements and shall calculate the indicators as follows:
- (a) At the **completeness check stage**: based on this assessment, the submission shall be either deemed complete or incomplete based on the compliance with the relevant checklist. Based on the rate of incomplete submissions the indicator I3 shall be calculated;
 - (b) When the secretariat prepares a **summary note** and requests the DOE to provide a **clarification** of the post-registration changes requested (“clarification stage”) and when the request for **post-registration changes is rejected** (“rejected request stage”) following these steps:
 - (i) Non-compliance issues shall be identified and classified into categories and subcategories as specified in appendix 3;
 - (ii) A weighting shall be associated with each of the issues identified at the clarification and rejected request stages. Each post-registration request will be given an overall weight equal to the sum of the identified weights of individual issues, across the sub-types of post-registration changes, including those that are closed after the provision of further information/documentation by the DOE;
 - (iii) The weighting of non-compliance issues shall be finalized only after a final decision on the specific request has been made;
 - (iv) Based on the final weighting of the issues identified, the indicator I4 shall be calculated.

⁶ Given that the PCP allows all five sub-types of post-registration changes to be submitted together in a single submission, the submission shall be assessed as a whole covering all sub-types.

4.3.3. Compilation of data to produce monitoring reports

22. During the assessment of the requests for registration and issuance, the secretariat shall compile the data specified in appendix 4 (tables 1 to 4). The secretariat shall classify the non-compliance issues identified at the request for review stage and at the final stage, i.e. when a decision about a registration or issuance is adopted according to the matrix provided in appendix 5 for the registration process and in the matrix provided for in appendix 6 for issuance process.
23. During the assessment of the requests for post-registration changes, the secretariat shall compile the data specified in appendix 4 (tables 5 to 8). The secretariat shall classify the non-compliance issues identified at the preparation of summary note stage and at the rejected request stage, i.e. when a decision about the post-registration changes request is adopted according to the matrix provided in appendix 7.

5. Definition of thresholds

5.1. Thresholds for indicators $I_{1,CC}$ and $I_{1,IRC}$

24. The secretariat shall calculate the thresholds for indicators $I_{1,CC}$ and $I_{1,IRC}$ for each DOE for each monitoring period using the following formula:

$$UCL = T_{iy} = p_y + k \frac{\sqrt{p_y(1 - p_y)}}{\sqrt{n_{iy}}}$$

Where:

- | | | |
|----------|---|---|
| T_{iy} | = | Threshold for i^{th} DOE for y^{th} monitoring period; |
| p_y | = | Values to be used in calculation of T_{iy} and is determined as per method in paragraph 25 below; |
| n_{iy} | = | Number of submissions of registration or issuance from i^{th} DOE for y^{th} monitoring period that have completed the cycle (for which the final decision has been made); |
| k | = | Quantiles of standard normal distribution, set to 2 for the thresholds of indicators corresponding to requests for registration and to 1 for the thresholds of indicators corresponding to requests for issuance. |

25. The method for determination of p_y is calculated as below:

- (a) When $y = 1$ (first monitoring period),

$$p_y = p_1$$

- (b) When $y = 2, 3, 4, \dots$ (second monitoring period and above)

p_y = Lower value of p_{y-1} and I_{1y}

Where:

I_{1y} = Sum of total number of requests concluded as incomplete at CC or IRC for all DOEs for 1st to yth monitoring period/Sum of total number of requests completed at CC or IRC for all DOEs for 1st to yth monitoring period;

p_1 = Sum of total number of requests concluded as incomplete at CC or IRC for all DOEs for 1st monitoring period/Sum of total number of requests completed at CC or IRC for all DOEs for 1st monitoring period.

26. The application of the equation for determination of thresholds to completeness check (CC) and information and reporting check (IRC) for requests for registration and issuance for each ith DOE within the yth monitoring period is expressed in the table below:

Table 1. Options for proposed thresholds

CC/IRC	Indicator	T_{iy}	Equation to determine threshold
Registration (CC)	$I_{1,CC}$	X_{iy}	$T_{iy} = X_{iy} = p_y + k \frac{\sqrt{p_y(1 - p_y)}}{\sqrt{n_{iy}}}$
Registration (IRC)	$I_{1,IRC}$	Y_{iy}	$T_{iy} = Y_{iy} = p_y + k \frac{\sqrt{p_y(1 - p_y)}}{\sqrt{n_{iy}}}$
Issuance (CC)	$I_{1,CC}$	Z_{iy}	$T_{iy} = Z_{iy} = p_y + k \frac{\sqrt{p_y(1 - p_y)}}{\sqrt{n_{iy}}}$
Issuance (IRC)	$I_{1,IRC}$	β_{iy}	$T_{iy} = \beta_{iy} = p_y + k \frac{\sqrt{p_y(1 - p_y)}}{\sqrt{n_{iy}}}$

27. The defined thresholds for the ith DOE within the yth monitoring period are reached when:
- (a) For the registration process: The threshold is reached when the value of $I_{1,CC}$ is > X_{iy} or $I_{1,IRC}$ is > Y_{iy} ;
- (b) For the issuance process: The threshold is reached when the value of $I_{1,IRC}$ is > Z_{iy} or $I_{1,IRC}$ is > β_{iy} .
28. The ith DOE is considered to be in the “green zone” if its indicator $I_{1,CC}$ is equal to or less than X_{iy} or its indicator $I_{1,IRC}$ is equal to or less than Y_{iy} (indicators for the registration process) and/or its indicator $I_{1,CC}$ is equal to or less than Z_{iy} or its indicator $I_{1,IRC}$ is equal to or less than β_{iy} (indicators for the issuance process).

29. The i^{th} DOE is considered to be in the “red zone” if its indicator $I_{1,CC}$ is more than X_{iy} or its indicator $I_{1,IRC}$ is more than Y_{iy} (for the registration process) and/or its indicator $I_{1,CC}$ is more than Z_{iy} or its indicator $I_{1,IRC}$ is more than β_{iy} (for the issuance process).]

5.2. Thresholds for indicator I2

30. For each of the registration and issuance processes, two thresholds are identified as follow:
- (a) For the registration process:
 - (i) First threshold is reached when I2 is > 0.5 ;
 - (ii) Second threshold is reached when I2 is > 3 ;
 - (b) For the issuance process:
 - (i) First threshold is reached when I2 is > 0.5 ;
 - (ii) Second threshold is reached when I2 is > 1.5 .
31. According to the thresholds defined, a DOE shall be considered to be:
- (a) In the “**green zone**” if its indicator I2 is equal to or less than 0.5 for both the registration and issuance processes;
 - (b) In the “**yellow zone**” if its indicator I2 is above 0.5 but equal to or less than 3 for the registration process or between 0.5 and 1.5 for the issuance process;
 - (c) In the “**red zone**” if its indicator I2 is above 3 for the registration process or above 1.5 for the issuance process.

6. Monitoring periods

32. The performance of DOEs shall be monitored and the performance indicators calculated based on requests for registration or issuance or post-registration changes submitted during monitoring periods of four months. Each year, a monitoring period starts on 1 January and finishes on 30 April, followed by the next monitoring period that starts on 1 May and ends on 31 August and, the final monitoring period that starts on 1 September and ends on 31 December.
33. The secretariat shall gradually calculate the indicators at the end of the monitoring period as the requests become finalized.
34. A DOE shall be subject to monitoring of its indicator I2 only after it has finalized a seventh request of registration or issuance in a given monitoring period.

7. Reporting on DOE performance

7.1. Types of Reports

35. The secretariat shall prepare reports on the performance of DOEs (DOE performance monitoring reports) using the following forms:
- (a) CDM-RTDOE-FORM: Report to the DOEs;
 - (b) CDM-RTEBAP-FORM: Report to the Board and CDM-AP;
 - (c) CDM-RTP-FORM: Report to the public.
36. In addition to the DOE performance monitoring reports the secretariat shall prepare on a bi-annual basis an analysis report containing a detailed analysis of the issues arising from the performance of DOEs in particular any issues that highlight shortcomings in the existing standards or procedures. This report shall provide information to the Board and assist it in developing or revising its work-plans and those of its panels and working groups.

7.2. Frequency of reporting

37. The secretariat shall prepare the first iteration of the DOE performance monitoring reports based on the data related to requests for registration, issuance and post-registration changes finalized within three months of the end of each monitoring period. The first iteration of such reports shall be issued no later than four months after the end of each monitoring period and the second iteration shall be issued no later than seven months after the end of the same monitoring period.
38. Subsequent iterations of the DOE performance monitoring reports shall be issued at three-monthly intervals after the second iteration of the reports is issued and until all submitted requests for registration or issuance or post-registration changes have been finalized.
- 38bis Notwithstanding paragraphs 37 and 38 above, if submissions of requests for registration, issuance and post-registration changes from all DOEs are below 100, 250 and 400, respectively, during a monitoring period, the secretariat shall prepare only one iteration of the report for the monitoring period based on the data related to the requests for registration, issuance and post-registration changes finalized within six months after the end of the monitoring period. This report (considered as "iteration 2") shall be issued no later than seven months after the end of the same monitoring period.

8. Actions to be undertaken based on the DOE performance monitoring

39. Based on the outcome of the DOE performance monitoring, different actors shall take a set of actions as follows.

8.1. Actions to be undertaken by DOEs

40. If any of the DOE performance monitoring reports show that a DOE has reached the threshold for the indicators $I_{1,CC}$ and/or $I_{1,IRC}$ or is in the yellow zone of indicator I_2 , the

secretariat shall formally request the DOE to undertake a root-cause analysis to identify the causes of the deficiencies in its system, and implement appropriate preventive and/or corrective actions to improve its performance.

41. The DOE shall be responsible for ensuring that corrective actions identified as a result of the root-cause analysis carried out are adequate and address the identified issues in a systematic manner.

8.2. Actions to be undertaken by the CDM Accreditation Panel

42. Based on the data reported by the secretariat to the CDM-AP, the CDM-AP at its next meeting or the meeting after, shall decide on the number and type of performance assessments, the number of non-central sites to be assessed and the areas to be assessed during site assessments and regular on-site surveillance assessments.

8.2.1. Number of performance assessments

43. If the second iteration of the DOE performance monitoring reports shows that a DOE is in the yellow zone of the indicator I2 in two consecutive monitoring periods in the registration or issuance process, the CDM-AP shall add one additional performance assessment to the number of planned performance assessments. The nature of this performance assessment shall be defined considering the process that reached the threshold:
- (a) If the threshold is reached as a result of the registration process, a validation performance assessment shall be conducted;
 - (b) Likewise, a verification performance assessment shall be conducted if the threshold is reached as a result of the issuance process.
44. These performance assessments, when possible, shall be on the sectoral scopes and/or methodologies where a DOE recurrently fails to perform appropriately according to the results of the DOE performance monitoring reports.
45. The CDM-AP shall reduce one performance assessment from the number of planned performance assessments for a DOE when four consecutive monitoring periods show that the indicator I2 has remained in the green zone.

8.2.2. Preparation of assessment work-plans

46. The secretariat shall provide the CDM-AP with the information about the issues identified in the performance monitoring reports, when a DOE reaches the yellow zone, detailing the specific CDM requirements where the DOE has failed to comply.
47. The information contained in the DOE performance monitoring reports⁷ shall be used to prepare the work plan of the regular surveillance assessment or the reaccreditation assessment, whichever is to be conducted earlier.
48. If the second iterations of the DOE performance monitoring reports corresponding to two consecutive monitoring periods show that a DOE has been in the red zone with regard to

⁷ All the reports corresponding to the final version (e.g. version 2 of the report is expected to include projects where more than 90 per cent of projects would have completed the cycle) shall be considered.

performance indicators $I_{1,CC}$ or $I_{1,IRC}$ for either registration or issuance, the CDM-AP shall include a request for the assessment team (CDM-AT) to assess whether the DOE has carried out a root-cause analysis as a result of the DOE performance monitoring and that preventive and/or corrective actions identified were correctly undertaken in the next site visit (regular surveillance or reaccreditation). The CDM-AT shall report the result of this assessment in its assessment report.

49. If any of the DOE performance monitoring reports shows that a DOE is in the yellow zone of indicator I2 for either the registration or issuance process, the CDM-AP shall include a request for the CDM-AT to assess whether the preventive and/or corrective actions identified were correctly undertaken in the next site visit (non-central site, regular surveillance or reaccreditation). The CDM-AT shall report the result of this assessment in its assessment report.
50. The CDM-AP may consider reducing the number of non-central offices to be visited during the regular surveillance after reaccreditation, when the indicator I2 of a DOE has remained in the green zone during four consecutive monitoring periods.

8.2.3. Activation of spot-checks

51. If the second iteration of the monitoring report shows that the DOE is in the red zone for the indicator I2 in either the registration or issuance processes, the CDM-AP shall initiate a spot-check of the DOE in accordance with the CDM accreditation procedure.

8.3. CDM Executive Board

52. The Board, based on the information reported by the secretariat, shall take note of the performance of DOEs.
53. The Board may also, based on the analysis provided by the secretariat identify any measures to improve its regulatory framework.

Appendix 1. Categorization and weighting of issues identified at requests for registration

Classification of issues		Weight
I	Issues related to reporting	
1	This category includes errors covering: <ul style="list-style-type: none"> - Inconsistencies in the information presented in the documents presented/information supplied; - Incomplete information/missing data; - DOE has not fully reported how the requirements are being complied with; - The latest project design document (PDD) template was not used. 	1
II	Issues related to failure to follow procedural requirements	
1	<ul style="list-style-type: none"> - The DOE did not raise a FAR during validation to identify issues related to project implementation that required review during the first verification of the project activity (VVS, para. 27); - The DOE raised a FAR that relates to the CDM requirements for registration (VVS, para. 27). 	4
2	CAR/CLs in validation reports which are not closed out correctly: <ul style="list-style-type: none"> - Where the CAR resolution indicates that the PDD has been updated but it has not (VVS, para. 28); - Where a CAR/CL is marked as closed without explanation (VVS, para. 29). 	2
3	Failure to carry out the global public stakeholder consultation in line with the CDM requirements (VVS, paras. 34–36).	3
4	Failure to visit project site or provide justification (VVS, paras. 65, 66, and 69).	4
5	Failure to request a deviation from the methodology when non-compliance of the project activity with the requirements of the methodology has been identified (VVS, para. 87).	4
III	Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements	
1	This sub-category includes cases for which the DOE has not precisely validated the project in accordance with the requirements of the VVM or VVS, however the failure is not likely to alter the validation opinion: <ul style="list-style-type: none"> - Failure to ensure precise project start date where the change in the date does not impact additionality; - Failure to fully validate all minor input values in an investment analysis; - Failure to ensure that the common practice analysis has been conducted fully in accordance with the requirements; - Failure to ensure that the LoA refers to the precise title of the proposed project activity; - Failure to assess compliance with environmental impacts and/or local stakeholder consultation. 	3

Classification of issues		Weight
2	This sub-category includes cases for which the DOE has failed to ensure compliance with a requirement which may ultimately be resolved during verification/issuance: <ul style="list-style-type: none"> - The monitoring plan is incomplete; - The validation report or PDD contains conflicting information regarding the baseline which may lead to a request for review at issuance. 	4
3	This sub-category includes cases for which the DOE's failure to ensure compliance with CDM requirements is likely to have an impact on the projects, or similar future project's, eligibility to receive the estimated quantity of CERs: <ul style="list-style-type: none"> - Errors in validation of additionality that would lead to a failure to identify non-additional projects; - Failure to apply or the misapplication of the requirements of the methodology that would lead to a non-applicable methodology being applied or the baseline being incorrectly established. 	5
IV	Other issues, to analyse system-wide gaps and improve classification	
1	Absence of requirement/guidance by the Board.	0
2	Ambiguity of interpretation of requirements of methodology/guidance.	0

Appendix 2. Categorization and weighting of issues identified at requests for issuance

Classification of issues		Weight
I	Issues related to reporting	
1	This category includes errors covering: <ul style="list-style-type: none"> - Inconsistencies in the information presented in the documents presented/information supplied; - Incomplete information/missing data; - DOE has not fully reported how the requirements are being complied with. 	1
II	Issues related to failure to follow procedural requirements	
1	This sub-category covers: <ul style="list-style-type: none"> - CAR/CLs in verification reports are not appropriately closed out (VVS, para. 222); - Failure to follow up FAR from previous verification (VVS, para. 223). 	2
2	This sub-category covers failure to conduct a site visit as per the requirements of the verification process, or provide justification (VVS, para. 227).	4
3	This sub-category covers: <ul style="list-style-type: none"> - Failure to submit changes as part of a request for issuance, if the changes are solely of the types listed in appendix 1 of the Project Standard (VVS para. 249 (a)); - Failure to submit changes via the request for approval, if the changes do not fall within the types listed in appendix 1 of the Project Standard (VVS para. 249 (b)). 	4
III	Technical correctness and accuracy issues with regard to failure to identify non-compliance with CDM requirements	
1	This sub-category covers basic verification to ensure the quality of required data measured and reported: <ul style="list-style-type: none"> - Failure to verify equipment/systems/protocols/procedures; - Failure to cross-check reported data/no clear audit trail (data generating, aggregating, reporting); - Failure to identify calculation errors in the supporting documents/spreadsheets due to omissions or data transposition. 	3
2	This sub-category covers failure to apply the conservativeness approach when required.	4
3	This sub-category covers failures to correctly apply methodological requirements which may lead to incorrect issuance of CERs: <ul style="list-style-type: none"> - Failure to verify installation of monitoring system as per the methodology; - Parameters required by methodology not being monitored; - Incorrect application of methodology and formulae, factors, default values. 	5
IV	Other issues, to analyse system-wide gaps and improve classification	
1	Absence of requirement/guidance by the Board.	0
2	Ambiguity of interpretation of requirements of methodology/guidance.	0

Appendix 3. Categorization and weighting of issues identified at requests for post-registration changes

Classification of issues		Weight
I	Issues related to reporting	
1	This category includes errors covering: <ul style="list-style-type: none"> - Inconsistencies in the information presented in the documents presented/information supplied; - Incomplete information/missing data; - DOE has not fully reported how the requirements are being complied with; - Situations where the revised PDD does not address all the required changes. 	1
II	Issues related to failure to follow procedural requirements	
1	The DOE submitted a wrong request, instead of the other applicable post-registration changes (PCP, para. 130).	3
2	The DOE incorrectly requested approval of change in start date of the crediting period more than once for each registered project (PCP, para. 136).	3
3	Failure to visit project site for change in project design or provide justification (VVS, paras. 271 and 272).	4
III	Technical correctness and accuracy issues with regard to failure to identify non-compliance with CDM requirements	
1	This sub-category includes cases for which the DOE has not precisely made the assessment of the post-registration change in accordance with the requirements of the VVS, although the failure is not likely to alter the assessment opinion: <ul style="list-style-type: none"> - Failure to determine impact of proposed changes on emission reductions where the omission does not impact emission reductions; - Failure to fully validate whether the request complies with the requirements of the applicable methodology; - Failure to take into account the findings of previous verification reports; - Failure to prevent reporting of conflicting information regarding the baseline, additionality, scale of the project, monitoring requirements, emission reduction calculations in the assessment report or PDD which may not change the final outcome/assessment opinion. 	3

Classification of issues		Weight
2	<p>This sub-category includes cases for which the DOE's failure to ensure compliance with CDM requirements is likely to have an impact on this or similar future post-registration change requests, with regard to the decision to issue the real quantity of CERs:</p> <ul style="list-style-type: none"> - The request and the assessment report violates the requirements of the applicable methodology; - Failure to identify technical issues which impact emission reductions and may lead to over-issuance of CERs; - The assessment report incorrectly states that the changes ensure that the level of accuracy and completeness of the monitoring is not reduced; - Failure to identify technical issues which may impact emission reductions baseline, additionality, scale of the project, monitoring requirements and emission reduction calculations and will lead to non-compliance/possible rejection. 	4
IV	Other issues, to analyse system-wide gaps and improve classification	
1	Absence of requirement/guidance by the Board.	0
2	Ambiguity of interpretation of requirements of methodology/guidance.	0

Appendix 4. Data compiled for the DOE performance monitoring process

1. Request for registration/issuance stage

Table 1. Request for registration/issuance stage

UN ID	Project title	DOE	Scale	Host country	Sectoral scope	Methodology	Version	Validation /verification date	Monitoring period start date	Monitoring period end date	First Sub-mission date	Withdrawn date

Table 2. Completeness check stage

Completeness check	Request considered incomplete	Times considered incomplete	Reasons of incompleteness	Date	Resubmission # date	Reporting check date	Request considered incomplete ?	Reasons for incompleteness	Times considered incomplete	Date	Resubmission # date	Publication date	Automatic registration / issuance?	Automatic registration / issuance date

Table 3. Review stage

Issue raised in request for review	Category of issue	Subcategory of issue	PS/VVS requirement	Other requirements	Weighting

Table 4. Final decision stage

EB decision	EB decision date	Final issue	Category of issue	Subcategory of issue	PS/VVS requirement	Other requirement	Final weighting

2. Request for post-registration changes stage

Table 5. Request for post registrations stage

UN ID	Project title	DOE	Scale	Host country	Sectoral scope	Methodology	Version	Validation /verification date	Monitoring period start date	Monitoring period end date	First submission date	Withdrawn date

Table 6. Completeness check stage

Completeness check	Request incomplete?	Times considered incomplete	Reason for incompleteness	Date	Resubmission # date	Publication date

Table 7. Preparation of summary note and request for clarification to DOE stage

Non-compliance issue raised	Category of issue	Subcategory of issue	PS/VVS requirement	Other requirements	Weighting

Table 8. Final decision stage

EB decision	EB decision date	Final issue	Category of issue	Subcategory of issue	PS/VVS requirement	Other requirement	Final weighting

Appendix 5. Matrix for categorization of non-compliance issues - Registration

Criteria for classification of R&I issues			Additionality					Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements	Other CDM requirements		
			Prior consideration	Additionality demonstration option	Investment analysis	Barrier analysis	Common practice analysis	Project boundary	Baseline identification	Compliance with applicability conditions	Algorithms and/or formulae to determine emission reductions:	Compliance of the Monitoring Plan (i.e. list of parameters complete or not)	Implementation of the Monitoring Plan (i.e. monitoring arrangement feasible or not)	Scale of project	Bundling & De-bundling		Letter of Approval (LoA)	Achievement of Sustainable development
I	Weight	Issues related to reporting																
1	1	Inconsistencies in the information presented in the documents presented/information supplied.																
2	1	Incomplete information/missing data;																

Criteria for classification of R&I issues			Additionality				Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements			
3	1	DOE has not fully reported how the compliance to the requirements are being met.																	
4	1	Not the latest PDD template is used.																	
II		Issues related to failure to follow procedural requirements																	
1	4	The DOE did not raise a FAR during validation to identify issues related to project implementation that required review during the first verification of the project activity (VVS, para. 27).																	
2	4	The DOE raised a FAR that relates to the CDM requirements for registration (VVS, para. 27).																	

Criteria for classification of R&I issues			Additionality				Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements			
3	2	CAR/CLs in validation reports which are not closed out correctly: - Where the CAR resolution indicates that the PDD has been updated but it has not (VVS, para. 28); - Where a CAR/CL is marked as closed without explanation (VVS, para. 29).																	
4	3	Failure to carry out the global public stakeholder consultation in line with the CDM requirements (VVS, paras. 34–36).																	
5	4	Failure to visit project site or provide justification (VVS, paras. 65, 66, and 69).																	

Criteria for classification of R&I issues			Additionality				Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements			
6	5	Failure to request a deviation from the methodology when non-compliance of the project activity with the requirements of the methodology has been identified (VVS, para. 87).																	
III		Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements.																	
1	3	This sub-category includes cases for which the DOE has not precisely validated the project in accordance with the requirements of the VVM or VVS, however the failure is not likely to alter the																	

Criteria for classification of R&I issues			Additionality				Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements				
		validation opinion: - Failure to ensure precise project start date where the change in the date does not impact additionality; - Failure to fully validate all minor input values in an investment analysis - Failure to ensure that the common practice analysis has been conducted fully in accordance with the requirements; - Failure to ensure that the LoA refers to the precise title of the proposed project activity; - Failure to assess compliance with environmental impacts and/or local stakeholder																		

Criteria for classification of R&I issues			Additionality					Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements			
		consultation.																		
2	4	<p>This sub-category includes cases for which the DOE has failed to ensure compliance with a requirement which may ultimately be resolved during verification/issuance:</p> <ul style="list-style-type: none"> - The monitoring plan is incomplete; - The validation report or PDD contains conflicting information regarding the baseline which may lead to a request for review at issuance. 																		
3	5	<p>This sub-category includes cases for which the DOE's failure to ensure compliance with</p>																		

Criteria for classification of R&I issues			Additionality				Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements				
		<p>CDM requirements is likely to have an impact on the project's, or similar future projects', eligibility to receive the estimated quantity of CERs:</p> <ul style="list-style-type: none"> - Errors in validation of additionality that would lead to a failure to identify non-additional projects; - Failure to apply or the misapplication of the requirements of the methodology that would lead to a non-applicable methodology being applied or the baseline being incorrectly established. 																		

Criteria for classification of R&I issues			Additionality					Application of baseline methodology			Application of the monitoring methodology		Project description		Procedural and related requirements		Other CDM requirements			
IV		Other issues, to analyse system-wide gaps and improve classification:																		
1	0	Absence of requirement/guidance by the Board.																		
2	0	Ambiguity of interpretation of requirements of methodology/guidance.																		

Appendix 6. Matrix for categorization of non-compliance issues - Issuance

Categorization and weighting of issues identified at requests for issuance			Implementati on 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,PE, ER calculation)	Procedural and related requirements
I	Weight	Issues related to reporting					
1	1	This category includes errors covering: - Inconsistencies in the information presented in the documents presented/information supplied; - Incomplete information/missing data; - DOE has not fully reported how the requirements are being complied with.					
II		Issues related to failure to follow procedural requirements					
1	2	This sub-category covers: - CAR/CLs in verification reports are not appropriately closed out (VVS, para. 222); - Failure to follow up FAR from previous verification (VVS, para. 223).					

Categorization and weighting of issues identified at requests for issuance			Implementati on 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,PE, ER calculation)	Procedural and related requirements
2	4	This sub-category covers failure to conduct a site visit as per the requirements of the verification process, or provide justification (VVS, para. 227).					
3	4	This sub-category covers: - Failure to submit changes as part of request for issuance, if the changes are solely of the types listed in appendix 1 of the Project Standard (VVS para. 249 (a)); - Failure to submit changes via the request for approval, if the changes do not fall within the types listed in appendix 1 of the Project Standard (VVS para. 249(b)).					
III		Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements.					

Categorization and weighting of issues identified at requests for issuance			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, PE, ER calculation)	Procedural and related requirements
1	3	<p>This sub-category covers basic verification to ensure the quality of required data measured and reported:</p> <ul style="list-style-type: none"> - Failure to verify equipment/systems/protocols/procedures; - Failure to cross-check reported data/no clear audit trail (data generating, aggregating, reporting); - Failure to identify calculation errors in the supporting documents/spreadsheets due to omissions or data transposition. 					
2	4	<p>This sub-category covers failure to apply the conservativeness approach when required.</p>					

Categorization and weighting of issues identified at requests for issuance			Implementati on 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,PE, ER calculation)	Procedural and related requirements
3	5	<p>This sub-category covers failures to correctly apply methodological requirements which may lead to incorrect issuance of CERs:</p> <ul style="list-style-type: none"> - Failure to verify installation of monitoring system as per the methodology; - Parameters required by methodology not being monitored; - Incorrect application of methodology and formulae, factors, default values. 					
IV		Other issues, to analyse system-wide gaps and improve classification.					
1	0	Absence of requirement/guidance by the Board					
2	0	Ambiguity of interpretation of requirements of methodology/guidance.					

Appendix 7. Matrix for categorization of issues identified at requests for post-registration changes

	Categorization and weighting of issues identified at requests for post-registration change (PRC)	Weight	Temporary deviation from the monitoring plan as described in the registered project design document (PDD) or the monitoring methodology	Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology	Permanent changes: changes to the project or programme design in the registered CDM project activity	Permanent changes: changes to the start date of the crediting period	Permanent changes: corrections
I	Issues related to reporting						
1	This category includes errors covering: - Inconsistencies in the information presented in the documents presented/information supplied; - Incomplete information/missing data; - DOE has not fully reported how the requirements are being complied with; - Situations where the revised PDD does not address all the required changes.	1					

Categorization and weighting of issues identified at requests for post-registration change (PRC)		Weight	Temporary deviation from the monitoring plan as described in the registered project design document (PDD) or the monitoring methodology	Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology	Permanent changes: changes to the project or programme design in the registered CDM project activity	Permanent changes: changes to the start date of the crediting period	Permanent changes: corrections
II	Issues related to failure to follow procedural requirements						
1	The DOE submitted a wrong request, instead of the other applicable post-registration changes (PCP, para. 130).	3					
2	The DOE incorrectly requested approval of change in start date of the crediting period more than once for each registered project (PCP, para. 136).	3					
3	Failure to visit project site for change in project design or provide justification (VVS, paras. 271 and 272).	4					
III	Technical correctness and accuracy issues with regard to failure to identify non-compliance with the CDM requirements						

	<p>Categorization and weighting of issues identified at requests for post-registration change (PRC)</p>	<p>Weight</p>	<p>Temporary deviation from the monitoring plan as described in the registered project design document (PDD) or the monitoring methodology</p>	<p>Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology</p>	<p>Permanent changes: changes to the project or programme design in the registered CDM project activity</p>	<p>Permanent changes: changes to the start date of the crediting period</p>	<p>Permanent changes: corrections</p>
<p>1</p>	<p>This sub-category includes cases for which the DOE has not precisely made the assessment of the post-registration change in accordance with the requirements of the VVS, although the failure is not likely to alter the assessment opinion:</p> <ul style="list-style-type: none"> - Failure to determine impact of proposed changes on emission reductions where the omission does not impact emission reductions; - Failure to fully validate whether the request complies with the requirements of the applicable methodology; - Failure to take into account the findings of previous verification reports; - Failure to prevent reporting of conflicting information regarding the baseline, additionality, scale of the project, monitoring requirements, emission reduction calculations in the assessment report or PDD which may not change the final outcome/assessment opinion. 	<p>3</p>					

	<p>Categorization and weighting of issues identified at requests for post-registration change (PRC)</p>	<p>Weight</p>	<p>Temporary deviation from the monitoring plan as described in the registered project design document (PDD) or the monitoring methodology</p>	<p>Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology</p>	<p>Permanent changes: changes to the project or programme design in the registered CDM project activity</p>	<p>Permanent changes: changes to the start date of the crediting period</p>	<p>Permanent changes: corrections</p>
<p>2</p>	<p>This sub-category includes cases for which the DOE's failure to ensure compliance with CDM requirements is likely to have an impact on this or similar future post-registration change requests, decision to issue the real quantity of CERs:</p> <ul style="list-style-type: none"> - The request and the assessment report violates the requirements of the applicable methodology; - Failure to identify technical issues which impact emission reductions and may lead to over-issuance of CERs; - The assessment report incorrectly states that the changes ensure that the level of accuracy and completeness of the monitoring is not reduced; - Failure to identify technical issues which may impact emission reductions baseline, additionality, scale of the project, monitoring requirements and emission reduction calculations and will lead to non-compliance/possible rejection. 	<p>4</p>					

Categorization and weighting of issues identified at requests for post-registration change (PRC)		Weight	Temporary deviation from the monitoring plan as described in the registered project design document (PDD) or the monitoring methodology	Permanent changes to the monitoring plan as described in the registered PDD or the monitoring methodology	Permanent changes: changes to the project or programme design in the registered CDM project activity	Permanent changes: changes to the start date of the crediting period	Permanent changes: corrections
IV	Other issues, to analyse system-wide gaps and improve classification						
1	Absence of requirement/guidance by the Board	0					
2	Ambiguity of interpretation of requirements of methodology/guidance	0					

Document information

<i>Version</i>	<i>Date</i>	<i>Description</i>
03.0	24 July 2015	EB 85, Annex 24 Revised to: <ul style="list-style-type: none"> • Cancel publication of iteration 1 and iteration 3 of the DOE performance monitoring reports where requests for registration, issuance and post-registration changes fall below a certain threshold. • To publish only one DOE performance monitoring report for both the Board and CDM-AP. • Editorial improvements.
02.0	31 May 2013	EB 73, Annex 14 Revised to: <ul style="list-style-type: none"> • Align the procedure with the CDM project cycle procedure and CDM validation and verification standard, splitting the completeness check process into completeness check and information and reporting check and including the monitoring of DOEs in post registration changes requests; • Improve the data reporting process; • Replace indicator I_1 with indicators $I_{1_{CC}}$ and $I_{1_{IRC}}$; • Replace fixed thresholds with dynamic thresholds based on a statistical method for indicators $I_{1_{CC}}$ and $I_{1_{IRC}}$; • Change the process of actions to be taken by the CDM-AP and provide reference to the relevant provisions in the CDM accreditation procedure.
01.1	3 December 2010	This version has been issued to editorially correct cross references in paragraph 13.
01.0	26 November 2010	EB 58, Annex 1 Initial adoption.

Decision Class: Regulatory
 Document Type: Procedure
 Business Function: Accreditation
 Keywords: DOE, performance monitoring
