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To	cdm-info@unfccc.int
From	gareth.phillips@pd-forum.net
Date	17th September 2011
Page	1/2
Subject	**Unsolicited letter relating to Completeness Check timelines for Request for Issuance**

Honorable Members of the CDM Executive Board,
Dear Mr. Hession,

The PD-Forum recognizes the significant improvements in the length of completeness checks performed by the UNFCCC Secretariat throughout the first semester of 2011. The overall average duration of the completeness check process was below the targeted limit of 45 days set by the Secretariat. [1]
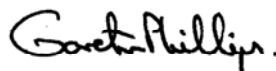
However, the PD-Forum stresses the need to improve the process by enabling it to react to the number of files entering the pipeline. Since April 2011 the number of files entering has exceeded the number of files processed. Hence during August, the backlog reached the 2011 maximum. The impact is starting to show and the overall duration of the completeness check process for some files has recently increased to as much as 55 days.

We would like to further raise your attention to the forecasted timelines for 2012. Based on data from the Secretariat and the PD Forum on expected submissions in 2011 and 2012, the estimated length of completeness checks is likely to reach 18 weeks (126 days) next year. Please see attached presentation for the complete forecast and its underlying assumptions.

To counteract these alarming tendencies, the PD Forum encourages the Secretariat to implement the sampling of submissions. We also encourage the Secretariat to implement proactive actions to ensure that timelines remain sustainable at current levels. Currently, issuance requests are scheduled the same week (if not on the same day) that the completeness check actually starts. The PD Forum would like to have longer term visibility on the scheduling and hence the processing rate of issuance requests. In addition, the recruitment of external consultants should be pushed one step further. It should be carried out on a regular basis in order to maintain the stability of the completeness check pipeline and to prevent the uneven supply of carbon credits to the market.

This issue is of highest importance. We look forward to seeing you tackle this challenge and take the necessary actions to avoid shift of volumes due to unexpected increases in timelines.

Kind regards,

Gareth Phillips
Chair, Project Developer Forum

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[1] Completeness Check timelines: Commencement of Completeness Check based on CMP6 request / Awaiting Scheduling (15 days) + Completeness Check (7 days) + Information and Reporting Check (23 days)
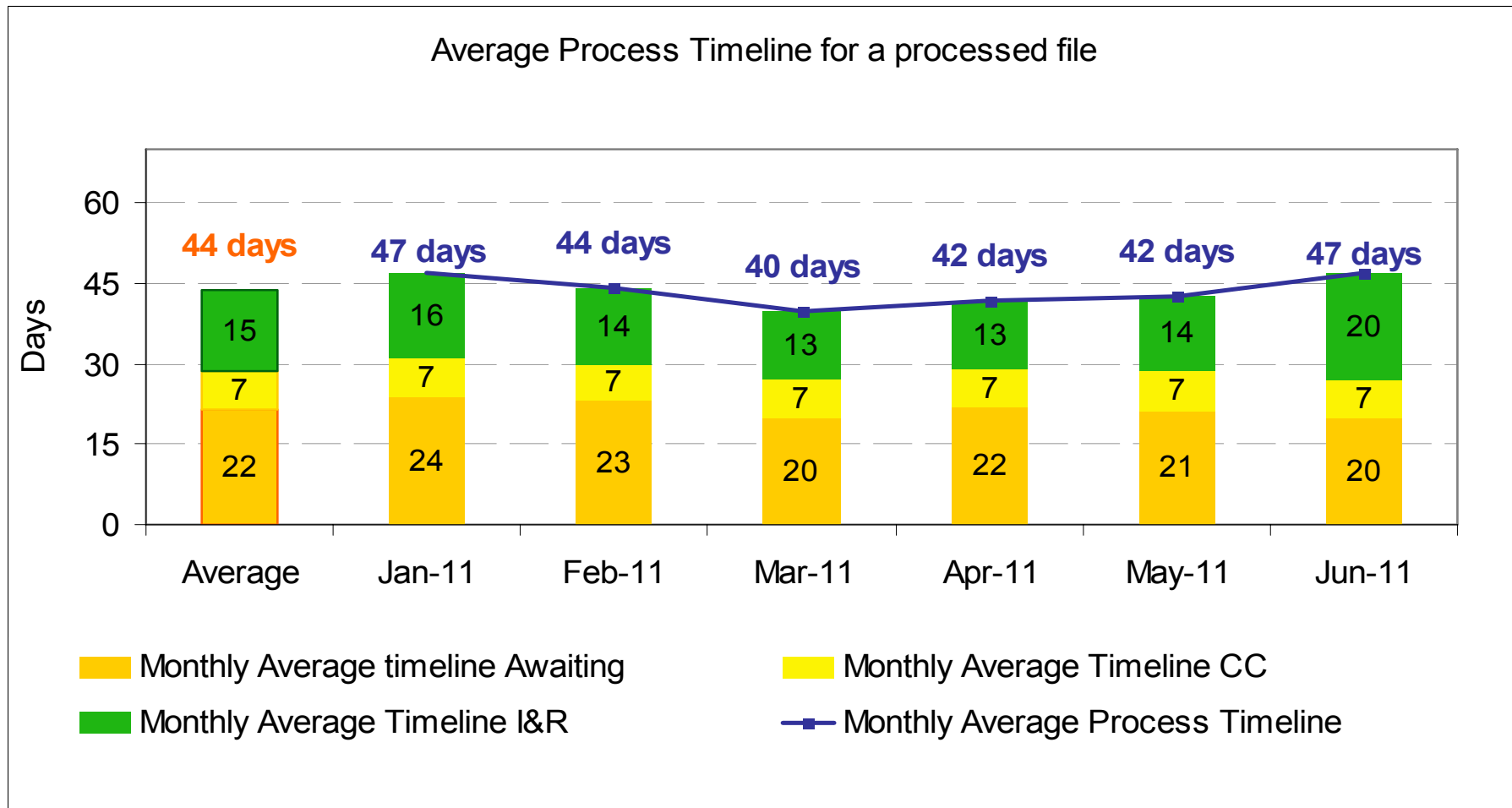
2011-2012
Completeness Check Timelines
for Request for Issuance

Executive Summary

- Although during the first semester of 2011 the average timeline was close to Secretariat's target (~45 days), file entrances are higher than the number of processed files. Hence backlog has substantially increased.

- PD Forum members request more visibility on the processing rates of files to better forecast accordingly and avoid shift of issued volumes due to unexpected increase in timelines.

- External consultants recruitment should be pushed one step further to ensure timelines remain sustainable considering current files inflow and foreseen increase.

CC timelines - current status

The average timeline of a processed file is 44 days below Secretariat target limit (~45days). However, some files in June and July have taken more than 50 days to be processed

Average Process Timeline for a processed file

During July and August the nb of files entering the pipe >
nb of files processed → the nb of files awaiting CC has
reached 2011's maximum

UNFCCC Pipe in & out Issuance Request Files
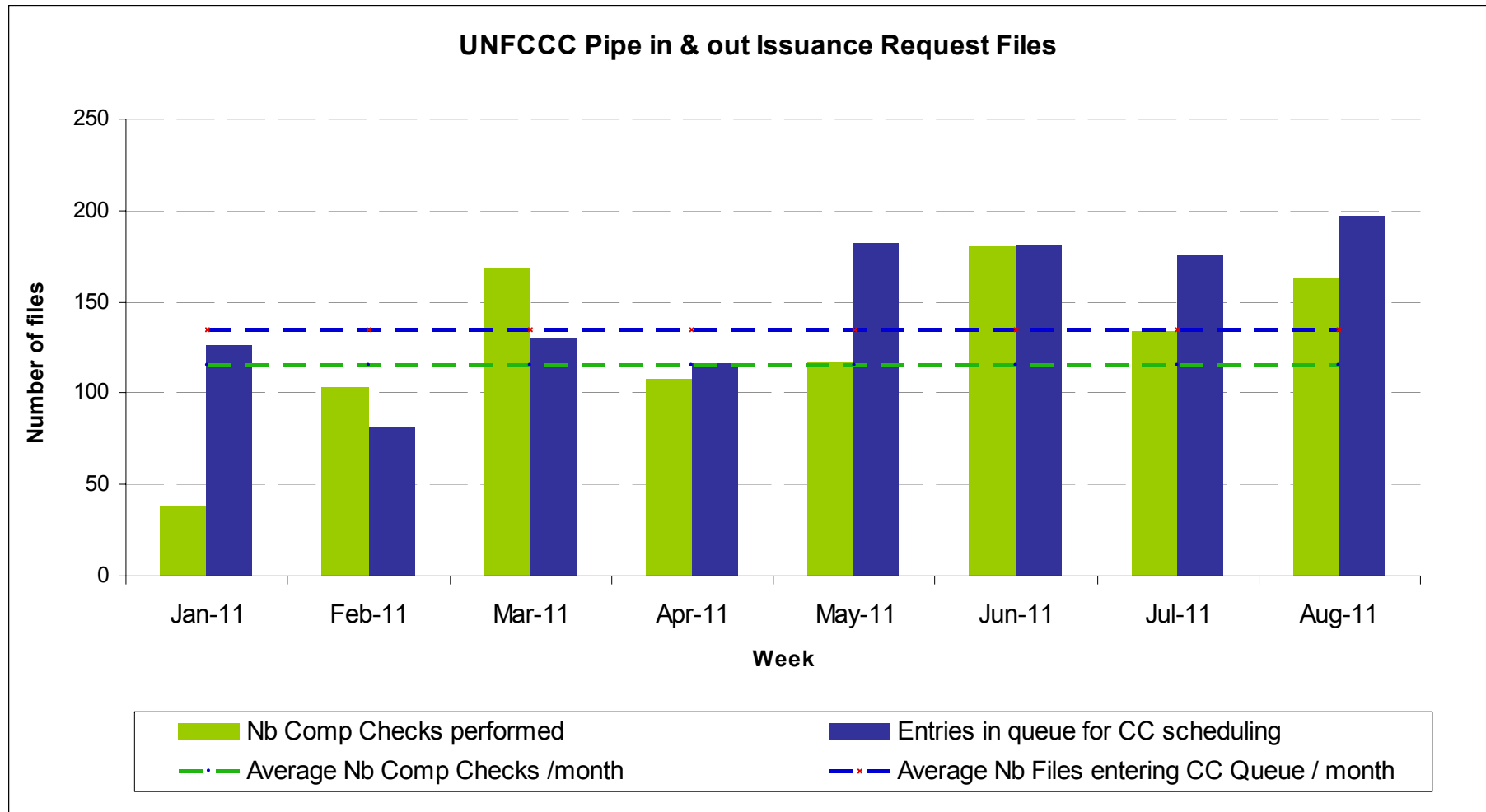
There is no scheduling -> no visibility on timelines

UNFCCC Completeness Check pipe

☐ Awaiting Info & Reporting Check	**172**
☐ CC Started	**0**
☐ CC Scheduled	**48**
☐ Files in Queue for CC	**87**
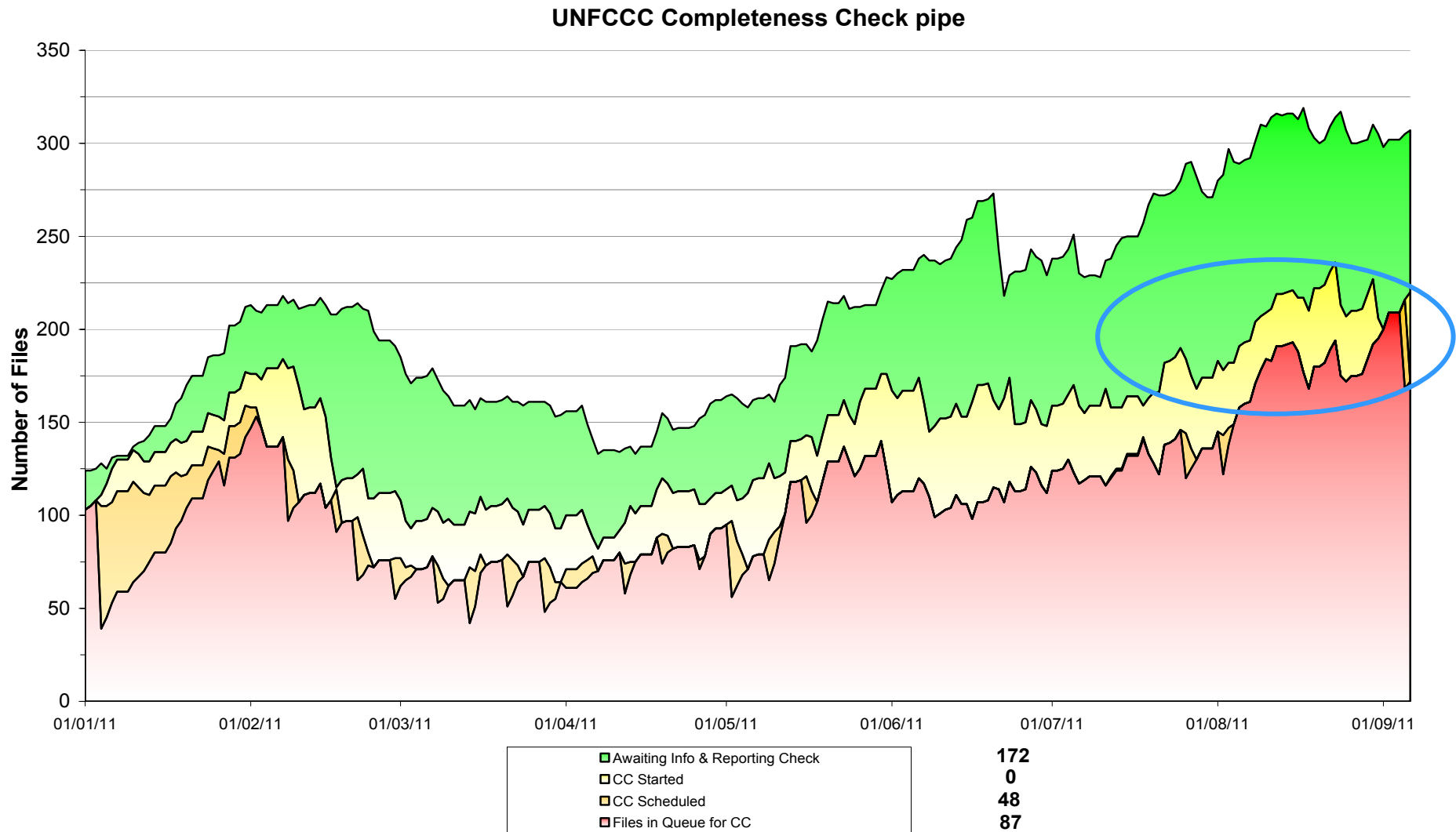
Source: UNFCCC (06/09/2011)

2012 Forecast

Assumptions

- Number of file entries in 2012 (see following slide)
  - Secretariat (UNFCCC): MAP 2011
  - PD Forum: survey completed by members and extrapolation to nb of projects registered
- Resubmissions
  - Projects that have failed CC in 2011 = 20%
  - In 2012 we expect an improvement → 15%
- Files processed
  - 2011 Average: 35 files/week
  - Secretariat could try to adapt the processing rate to the number of files entering the pipe with the support of external consultants
- CC timelines
  - Max. 30 days

Actual & Forecasted 2012 entries : Data from PD Forum

Real Submissions		2010	2011 YTD (W35)
Monthly average		73	104
Weekly average		18	26
Resubmissions		14%	20%
Week (w/resubmissions)		**21**	**34**
Processing Rate		21	29
Timeline (weeks)		13	6

Forecast PD Forum		2011	2012	2013	2014
Sample of PD Forum reg projects:	376				
Avg monthly submission of MRs:		26	35	35	35
Percent of MR submissions per month:		7%	9%	9%	9%
No. of reg CDM projects (as of 27 Apr):	3030				
Avg monthly submission of MRs: (based on sample)					
	Monthly average	210	285	279	283
	Weekly average	53	71	70	71
	Resubmissions	20%	15%	15%	15%
	Week (w/resubmissions)	**63**	**82**	**80**	**81**

- Sample based on the planned verifications of PD Forum members for 2012 extrapolated to all registered CDM projects

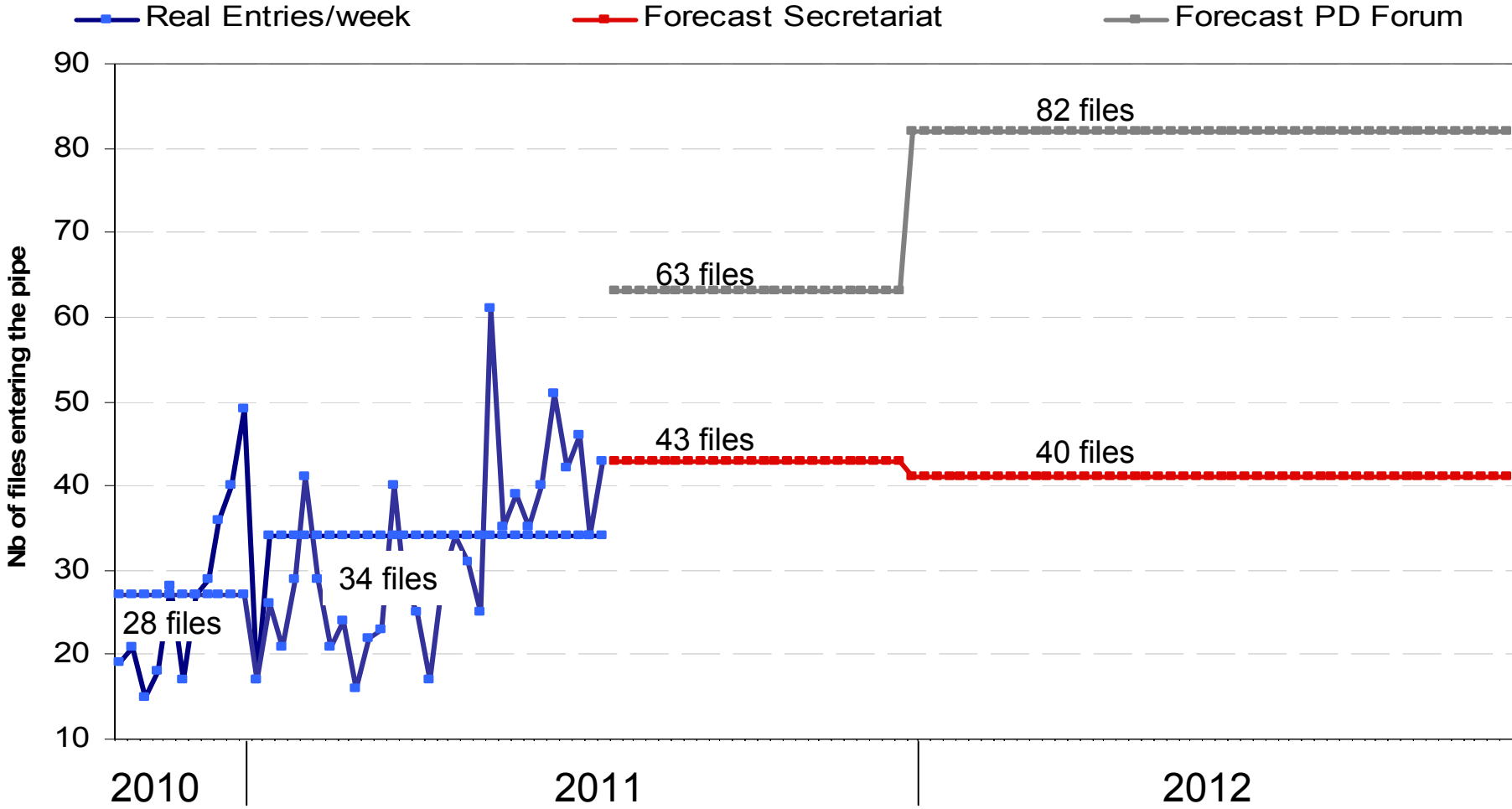# Actual & Forecasted 2012 entries : Data from Secretariat

Real Submissions		2010	2011 YTD (W35)
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Resubmissions		14%	20%
Week (w/resubmissions)		**21**	**34**
Processing Rate		21	29
Timeline (weeks)		13	6

Forecast Secretariat	MAP 2011 (EB59 - Feb 2011)	2011	2012	2013	2014
		1700	1700	1700	1700
	Monthly average	142	142	142	142
	Weekly average	35	35	35	35
	Resubmissions	20%	15%	15%	15%
	Week (w/resubmissions)	**43**	**41**	**41**	**41**

- 2011 average is in line with current entries
- For 2012, it is expected that the number of files entering the pipe will increase. Secretariat's forecast seems quite optimistic considering current inflow

Real/Forecasted 2012 entries

Real Entries/week — Forecast Secretariat — Forecast PD Forum

Nb of files entering the pipe

28 files
34 files
43 files
40 files
63 files
82 files

2010   2011   2012

Timelines per Scenario

Assumptions:

Entries: Two scenarios, based on UNFCCC Secretariat and PD Forum data
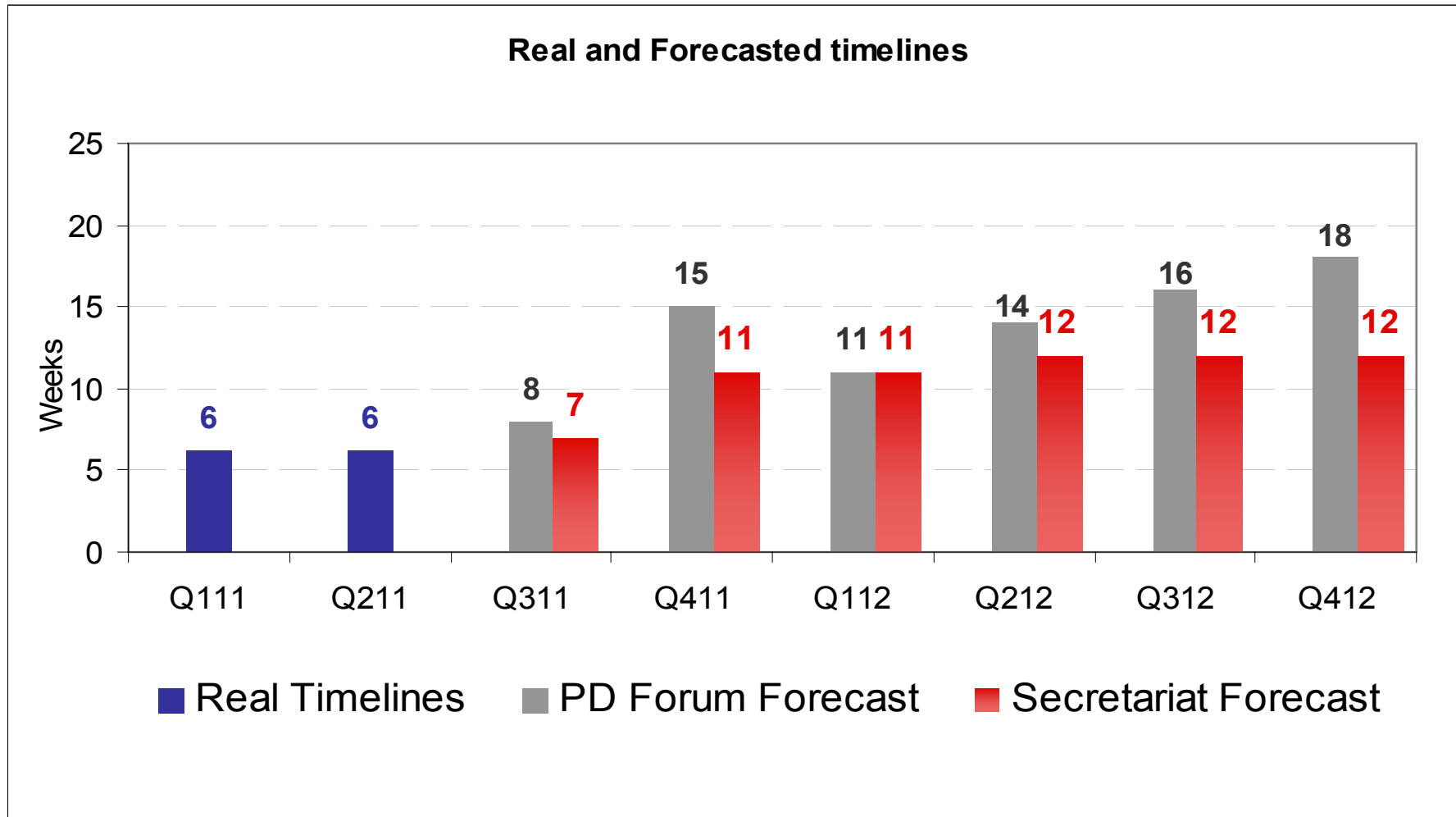
Processing rate will depend on Secretariat's resources:

- No future recruitments are foreseen for 2012

- Secretariat will again require the support of external consultants to balance the files in the pipe

Forecast PD Forum							
Weeks	In	Out	Queue	Wks	Days	Aw	CC
Q111	**27**	**-24**	**159**	**6**	**45**	**32**	**13**
Q211	**36**	**-30**	**230**	**6**	**40**	**25**	**15**
Q311	48	-34	420	8	54	29	30
Q411	63	-40	719	15	102	72	30
Q112	82	-70	875	11	80	50	30
Q212	82	-70	1031	14	96	66	30
Q312	82	-70	1187	16	112	82	30
Q412	82	-70	1271	18	127	97	30

Forecast Secretariat							
Week	In	Out	Queue	Wks	Days	Aw	CC
Q111	**27**	**-24**	**159**	**6**	**45**	**32**	**13**
Q211	**36**	**-30**	**230**	**6**	**40**	**25**	**15**
Q311	42	-34	340	7	51	27	24
Q411	43	-35	444	11	79	49	30
Q112	41	-40	457	11	79	49	30
Q212	41	-40	470	12	81	51	30
Q312	41	-40	483	12	83	53	30
Q412	41	-40	490	12	86	56	30

Timelines per Scenario

Real and Forecasted timelines

➢**Depending on the assumptions → timelines skyrocket to as many as 18 weeks!**

Conclusions

- The number of issuance requests will increase substantially, the current processing rate is not enough to treat the files entering the pipe

- Secretariat should ensure sustainable project assessment strategies:
  - Scheduling files will give more visibility on timelines
  - Risk based approach should be considered as an option
  - External consultants recruitment should be pushed one step further to ensure timelines remain sustainable, no higher than levels seen through 2011 1st semester