

CDM-2025ALY10-INFO

Tenth annual analysis report to the CDM Executive Board on the results of DOE performance monitoring

Version 01.1



United Nations
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1. Introduction

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) at its fifty-eighth meeting (EB 58) adopted the “Procedure on performance monitoring of designated operational entities” (hereinafter referred to as the DOE performance monitoring procedure) and subsequently revised it three times with the version 04.0 being adopted at EB 106.¹ The DOE performance monitoring procedure requires that the Board be provided annually, with an analysis report on performance of designated operational entities (DOEs) along with proposals for potential system-wide improvement.
2. This, the tenth such report, summarizes and analyses the findings from the twenty-third to the twenty-fifth DOE monitoring periods (MPs), running respectively:
 - (a) MP 23, 1 May to 31 August 2023 (accounting for data and submissions finalized by 29 February 2024);
 - (b) MP 24, 1 September to 31 December 2023 (accounting for data and submissions finalized by 31 March 2024);
 - (c) MP 25, 1 January to 30 April 2024 (accounting for data and submissions finalized by 31 October 2024).
3. For comparative purposes, this report includes data from the previous reporting period reflected under bracket (i.e. the ninth reporting period, covering MP 20 to MP 22).
4. This report provides:
 - (a) Information, trends and analysis of the long-term performance of DOEs;
 - (b) Analysis of the issues arising from DOE performance;
 - (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 following the trends observed through analysis of the issues raised in: requests for review (RfRs) or requests for clarification (RfCs) under post-registration change (PRC) process and rejected requests from DOEs and areas of potential improvement for requests for registration and issuance for both project activities and programmes of activities (PoAs), requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for approval of post-registration changes (PRCs) of both project activities and PoAs under the prior-approval track, and notifications of changes to component project activities (CPAs). A more detailed analysis is provided for the indicators I_1 , I_2 and I_3 in sections 2, 3 and 4 respectively. The areas for potential system-wide improvement are provided in section 5 below.

¹ For the latest version 05.0 of the procedure see

https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220909102753730/Accr_Proc02.pdf

6. The definitions of the indicators I_1 , I_2 and I_3 are listed as below:
- (a) Indicator I_1 includes the following two sub-indicators:
 - (i) Indicator $I_{1,CC}$: Rate of incomplete submissions at the stage of completeness check (CC);²
 - (ii) Indicator $I_{1,IRC}$: Rate of incomplete submissions at the stage of information and reporting check (IRC);³
 - (b) Indicator I_2 includes the following two sub-indicators:
 - (i) Indicator $I_{2,REG}$: Risk priority number (RPN) value at the stage of review of requests for registration;⁴
 - (ii) Indicator $I_{2,ISS}$: RPN value at the stage of review of requests for issuance;⁵
 - (c) Indicator I_3 calculates RPN value at the stage of clarification and rejection of requests for prior approval of PRCs and notifications of changes to CPAs.⁶

2. Analysis of the indicator I_1

2.1. Overview of performance of DOEs

7. A total of (609) 96 requests were submitted by (18) 17 DOEs,⁷ with the average finalization rate (96) 93 per cent during the three monitoring periods, out of which (11) 3 and (43) 7 submissions were deemed incomplete at CC and IRC respectively.⁸ Table 1 provides an overview of performance of DOEs for indicator I_1 .⁹

² The indicator $I_{1,CC}$ is to monitor incomplete submissions at the CC stage of requests for registration and issuance for both project activities and PoAs, requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for approval of PRCs to both project activities and PoAs under the prior-approval track and notifications of changes to CPAs.

³ The indicator $I_{1,IRC}$ is to monitor incomplete submissions at the stage IRC of requests for registration and issuance for both project activities and PoAs, requests for renewal of crediting period of project activities and requests for renewal of PoA period.

⁴ The indicator $I_{2,REG}$ is to monitor requests for review raised for requests for registration for both project activities and PoAs, requests for renewal of crediting period of project activities and requests for renewal of PoA period.

⁵ The indicator $I_{2,ISS}$ is to monitor requests for review raised for requests for issuance for both project activities and PoAs.

⁶ The indicator I_3 is to monitor clarification and rejection of requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

⁷ The data from the previous reporting period is stated in parentheses.

⁸ The DOE performance monitoring procedure, paragraph 15(a), provides a definition of the indicator I_1 , which includes two sub-indicators $I_{1,CC}$ and $I_{1,IRC}$. The DOE performance monitoring procedure, paragraph 24, requires that the DOE is considered to be in the indicator I_1 red zone if its indicator $I_{1,CC}$ or $I_{1,IRC}$ is greater than the respective thresholds.

⁹ The number of requests is with PRC submissions

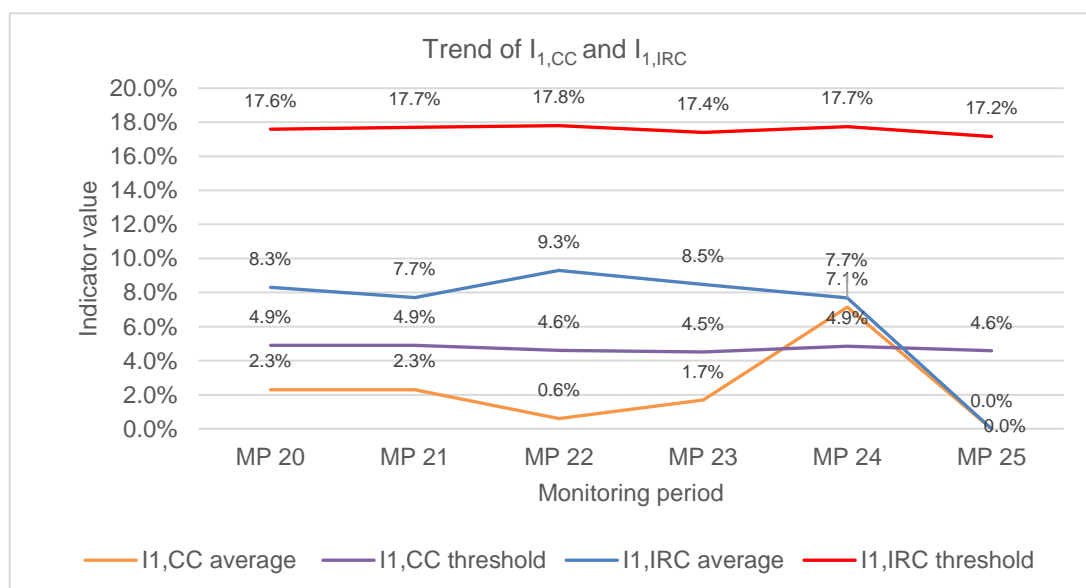
Table 1. Overview of performance of DOEs for indicators $I_{1,CC}$ and $I_{1,IRC}$

MP	No. of requests submitted ^(a)	No. of DOEs	No. of submissions finalized having CC incompleteness raised	No. of submissions finalized having IRC incompleteness raised	Finalization rate	No. of DOEs in I_1 red zone
MP 20	219	18	5	17	98%	6
MP 21	217	18	5	16	99%	3
MP 22	173	17	1	10	91%	2
MP 23	60	13	1	5	93%	2
MP 24	27	11	2	2	96%	2
MP 25	9	6	0	0	89%	0

^(a) The requests cover requests for registration for both project activities and PoAs, requests for renewal of crediting period of project activities, requests for renewal of PoA period, requests for issuance for both project activities and PoAs, requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

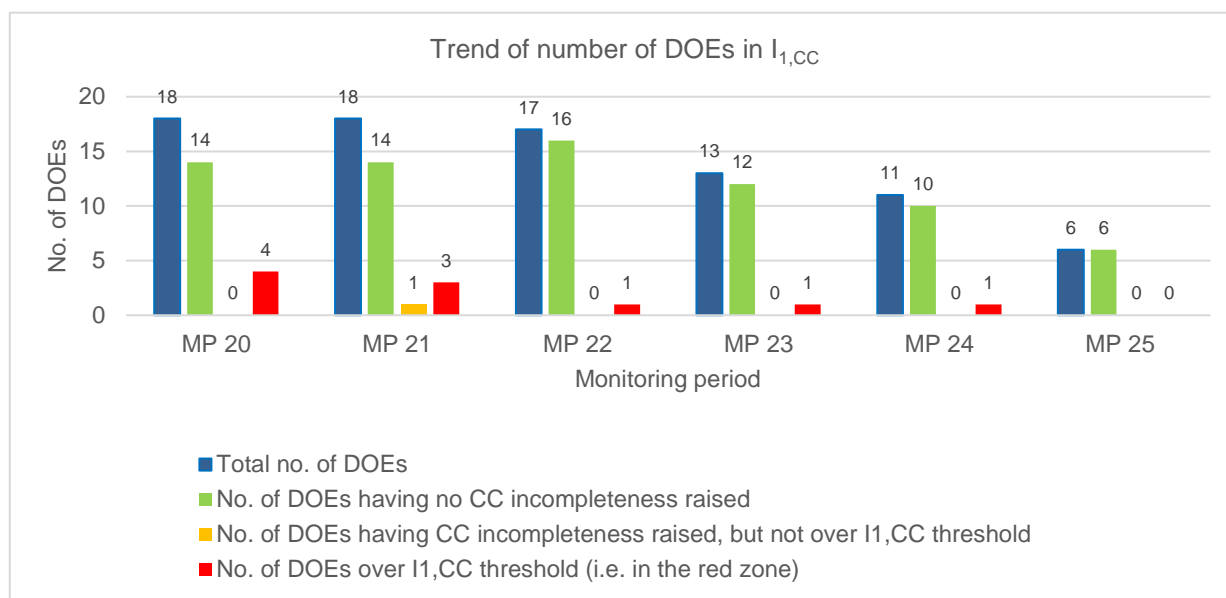
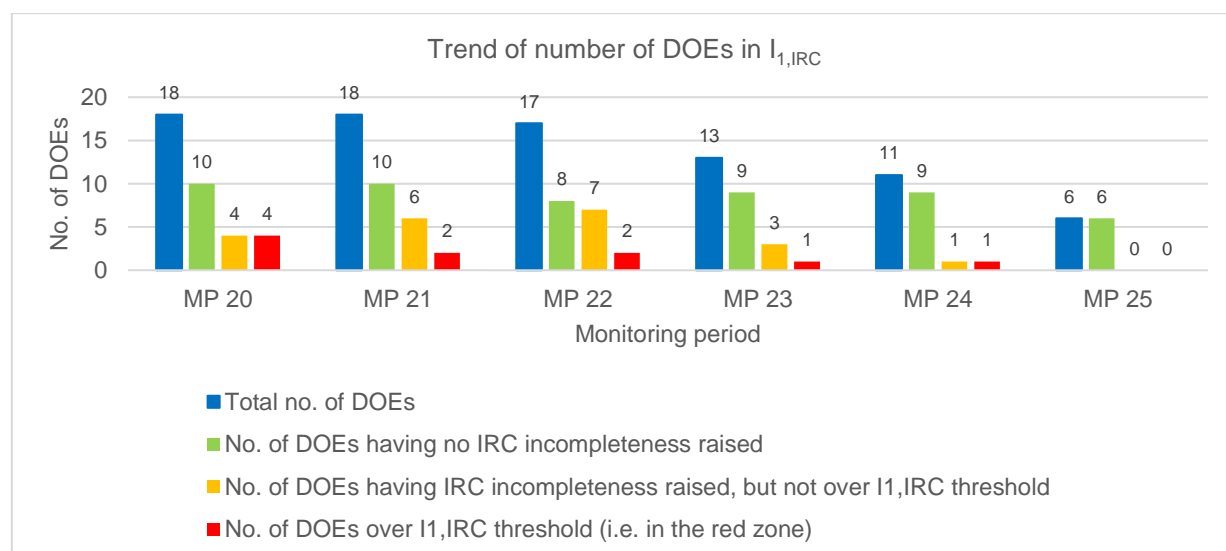
2.2. Evolution of performance of DOEs

8. Figure 1 shows the evolving trend of average value and threshold value for the indicators $I_{1,CC}$ and $I_{1,IRC}$, respectively.¹⁰

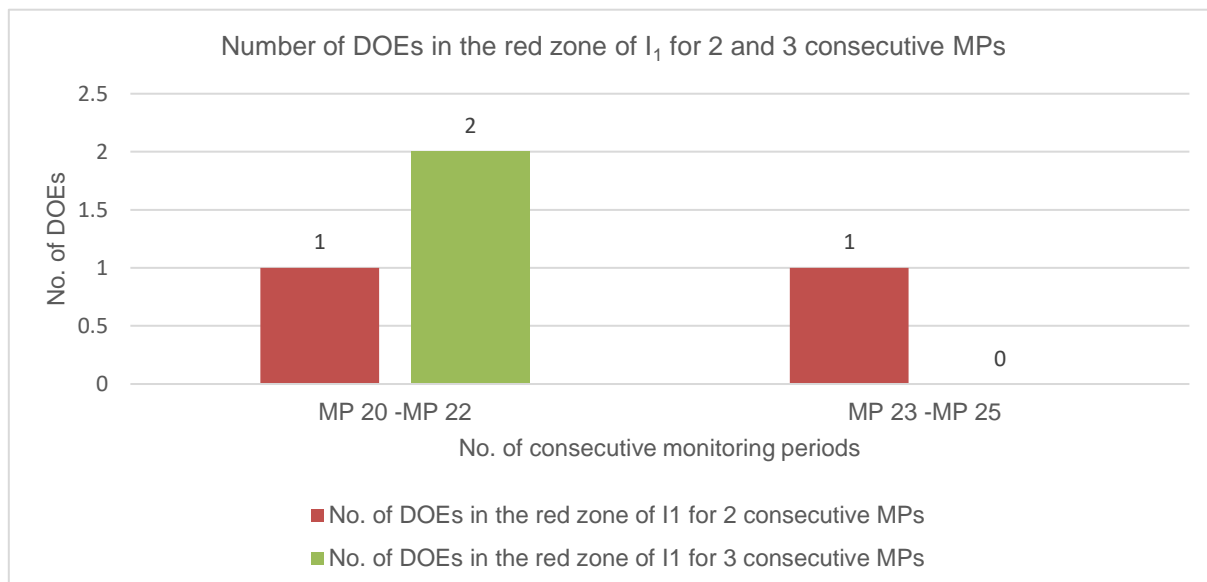
Figure 1. Evolving trend of the indicators $I_{1,CC}$ and $I_{1,IRC}$ 

9. Figures 2 and 3 show the evolving trend in number of DOEs for the indicators $I_{1,CC}$ and $I_{1,IRC}$, respectively.

¹⁰ The indicator $I_{1,CC}$ average value is the average value amongst all DOEs in a given monitoring period. The $I_{1,CC}$ threshold value is calculated based on paragraph 21 of the DOE performance monitoring procedure.

Figure 2. Evolving trend in number of DOEs for indicator $I_{1,CC}$ **Figure 3. Evolving trend in number of DOEs for indicator $I_{1,IRC}$** 

10. From the data presented in figures 2 and 3 above, figure 4 represents the numerical breakdown of the number of DOEs in the red zone for indicator I_1 for at least two consecutive monitoring periods.

Figure 4. Number of DOEs in the red zone for indicator I₁

2.3. Analysis of results for indicator I₁

11. As seen from table 1, the average finalization rate was (96) 93 per cent at the time of the final version of monitoring reports. The average number of DOEs in the red zone was (4) one. It is observed that the number of DOEs in the red zone for indicator I₁, has decreased over the last two reporting periods.
12. Figures 2 and 3 shows a decreasing trend in the number of DOEs in the red zone for indicator I_{1,CC} and I_{1,IRC}, respectively, across the six monitoring periods. Therefore, it can be concluded that the performance of DOEs has improved for the indicators I_{1,CC} and I_{1,IRC} with a lower number of submissions as compared to the previous reporting period. As seen in figures 1, 2 and 3, the average ranges of the DOEs in the red zone for indicators I_{1,CC} and I_{1,IRC} from MP 20 to MP 25 are 10 per cent for each indicator, which can be considered as within the range of the system design, i.e. not more than 20–30 per cent.¹¹
13. As seen in figure 4, the number of DOEs in the red zone for indicator I₁ for two consecutive monitoring periods has remained constant, and there were no DOEs reported in the red zone for three consecutive monitoring periods during the current reporting period. Therefore, it can be concluded that the corrective and/or preventative actions implemented by the DOEs have enhanced the continuous improvement of the respective quality management systems.¹²

¹¹ Please refer to concept note CDM-EB102-AA-AB-CON

¹² The DOE performance monitoring procedure, paragraph 34, requires that if any DOE performance monitoring report shows a DOE in the indicator I₁ red zone, the DOE shall undertake a root-cause analysis to identify the causes of the deficiencies in its system and implement corrective and/or preventative actions to improve its performance.

3. Analysis of the indicator I_2

3.1. Overview of performance of DOEs

14. A total of (502) 90 requests were submitted by (18) 17 DOEs during the reporting period out of which (three) no RfRs were raised and consequently (six) no RfR issues identified.¹³ Table 2 provides an overview of performance of DOEs for indicator I_2 .¹⁴

Table 2. Overview of performance of DOEs indicators I_2

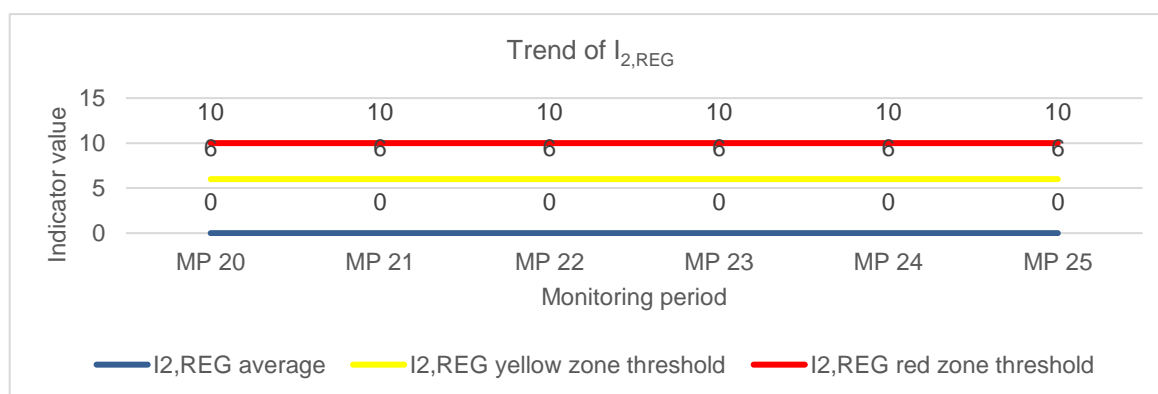
MP	No. of requests submitted ^(a)	No. of DOEs	No. of RfRs raised	No. of DOEs having RfR raised	No. of RfR issues raised
MP 20	195	18	0	0	0
MP 21	193	18	3	1	6
MP 22	114	17	0	0	0
MP23	56	13	0	0	0
MP 24	25	11	0	0	0
MP 25	9	6	0	0	0

(a) The requests cover requests issuance for both project activities and PoAs.

3.2. Evolution of performance of DOEs

15. Figure 5 shows the evolving trend of average value and threshold value of the indicator $I_{2,REG}$. Figure 6 shows the evolving trend in number of DOEs for indicator $I_{2,REG}$.^{15,16}

Figure 5. Evolving trend of the indicator $I_{2,REG}$

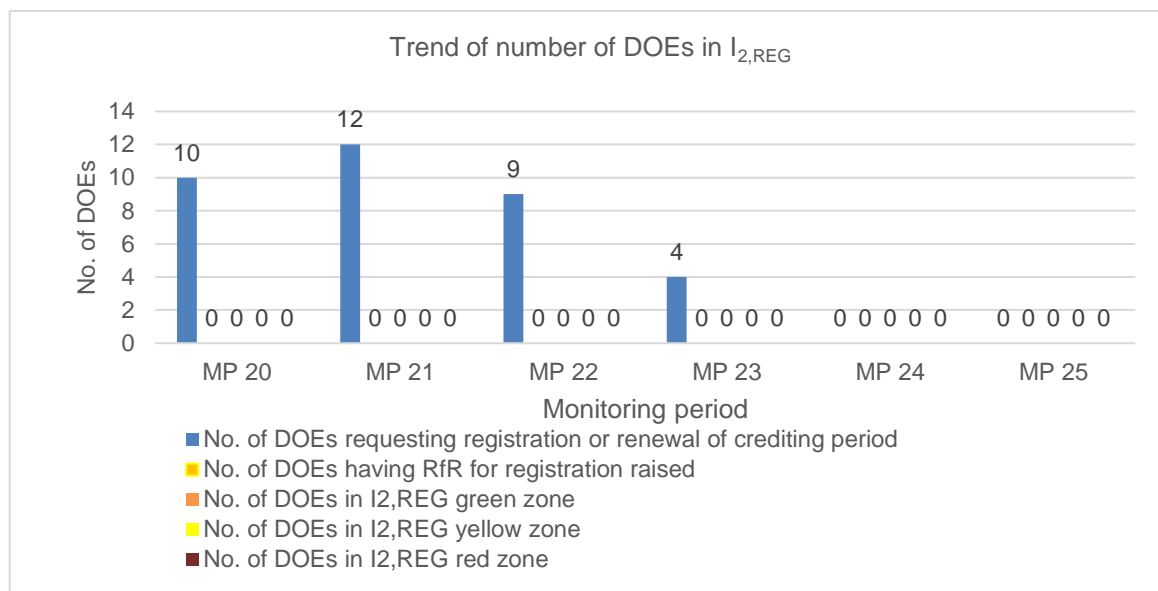


¹³ The DOE performance monitoring procedure, paragraph 15(b), provides definition of the indicator I_2 , which includes two sub-indicators $I_{2,REG}$ and $I_{2,ISS}$. The DOE performance monitoring procedure, paragraph 25, provides the provisions on how to categorize the DOEs which are considered to be in the green zone, yellow zone or red zone.

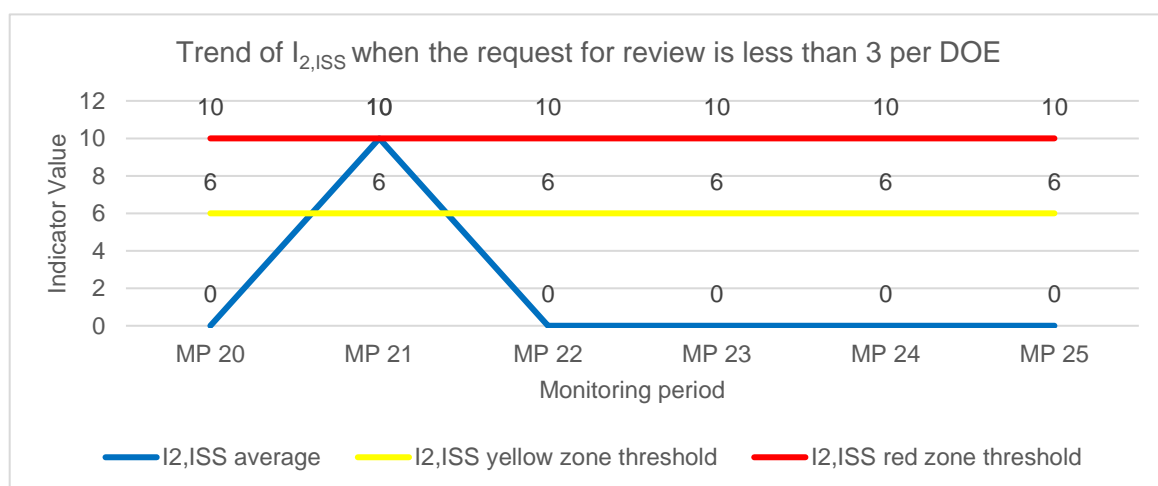
¹⁴ The number of requests is without PRC submissions.

¹⁵ The number of RfR raised for registration per DOE in each of these three monitoring periods is less than three; therefore, the DOE performance monitoring procedure, paragraphs 15(b)(i)aii and 25(b), are applied.

¹⁶ There is no DOE in the red zone of the indicator $I_{2,REG}$ for these three monitoring periods; therefore, the values of the legend "DOEs in $I_{2,REG}$ red zone" shown in the figure 6 are zero for MP 23, MP 24 and MP 25.

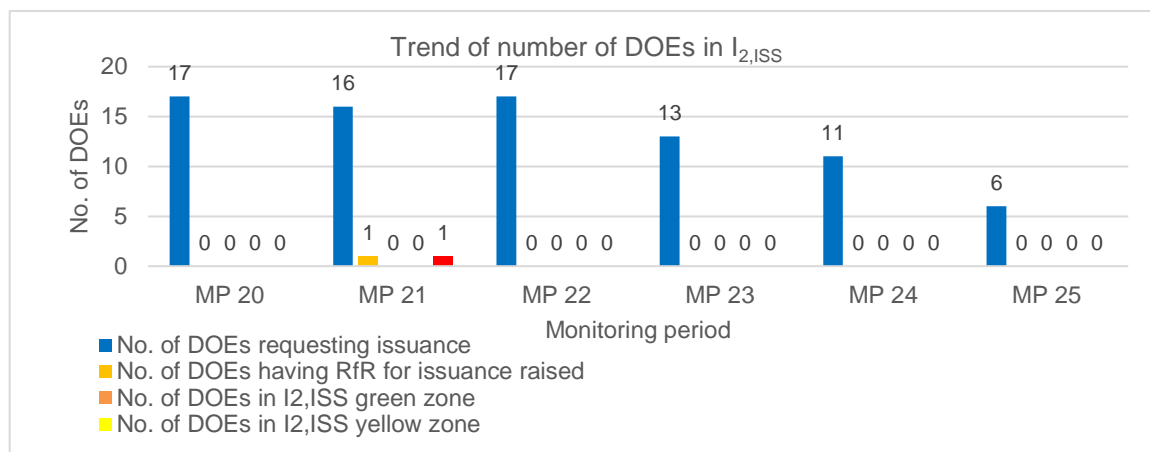
Figure 6. Evolving trend in number of DOEs for indicator $I_{2,REG}$ 

16. Figure 7 shows the evolving trend of average value and threshold value of the indicator $I_{2,ISS}$. Figure 8 shows the evolving trend in number of DOEs for indicator $I_{2,ISS}$.¹⁷

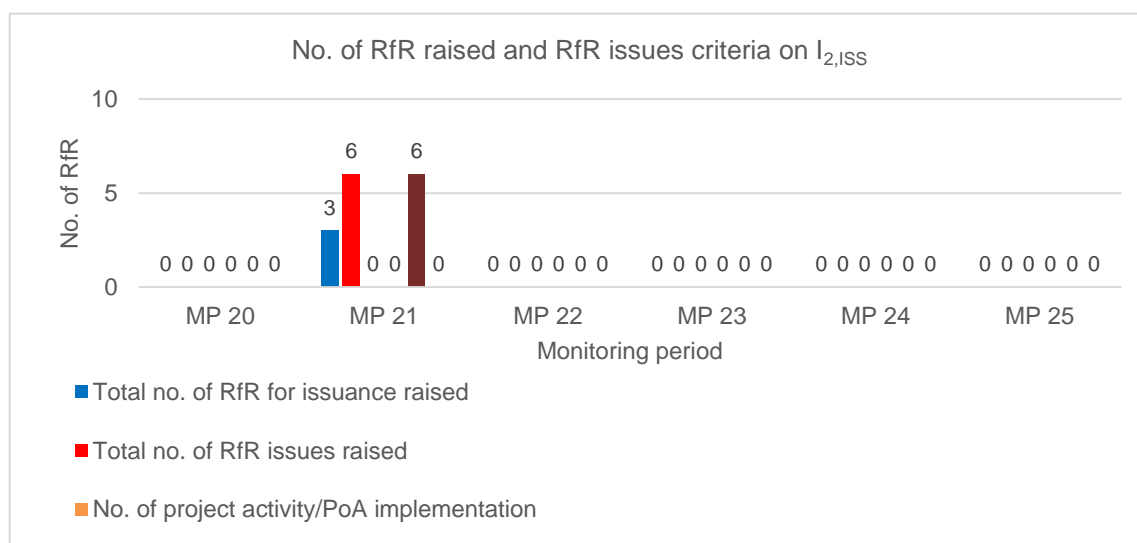
Figure 7. Evolving trend of the indicator $I_{2,ISS}$ ^(a)

- ^(a) This also covers the scenario where the number of requests for review is greater than or equal to three, but this DOE is the only DOE having such cases in a given monitoring period.

¹⁷ The number of RfRs raised for issuance per DOE in each of these three monitoring periods is less than three; therefore, the DOE performance monitoring procedure, paragraphs 15(b)(ii)aii and 25(b), is applied.

Figure 8. Evolving trend in number of DOEs for indicator $I_{2,ISS}$ 

17. Table 2 and figure 9 show the breakdown and trend in number of RfR issues raised and the number of RfR issues criteria for indicator $I_{2,ISS}$.¹⁸

Figure 9. Trend in the number of RfR raised and RfR issue criteria for the indicator $I_{2,ISS}$ 

3.3. Analysis of results for indicator I_2

18. As seen in figures 5 and 6, for indicator $I_{2,REG}$ it is observed that:
- The average value of indicator $I_{2,REG}$ remains zero;
 - There were no DOEs in the green, yellow or red zones;
 - No RfR issues were identified for indicator $I_{2,REG}$.

¹⁸ The DOE performance monitoring procedure appendices 1 and 2 provide the categorization and criteria of non-compliance issues for indicators $I_{2,REG}$ and $I_{1,ISS}$, respectively. It is to be noted that there are no RfR raised for the indicator $I_{2,ISS}$ during this reporting period.

19. As seen in figures 7, 8 and 9 for indicator $I_{2,ISS}$,
- One DOE breached the threshold for the red zone in the previous reporting period (MP 21), whereas no DOE breached any $I_{2,ISS}$ threshold during the current reporting period. It can be concluded that DOE performance for indicator $I_{2,ISS}$ has improved when compared to the previous reporting period with a lower number of submissions as compared to the previous reporting period;
 - There was (one) no DOE in the red zone for indicator I_2 . There were (zero) zero DOEs in the yellow zone for indicator I_2 in the three consecutive monitoring periods; therefore, there is no additional performance assessment added.¹⁹

4. Analysis of the indicator I_3

4.1. Overview of performance of DOEs

20. A total of (107) six requests were submitted by (nine) six DOEs during the current reporting period, out of which (19) one request for clarification (RfC) was raised, and consequently there are in total (32) two issues identified.²⁰ Table 3 provides an overview of performance of DOEs through the indicator I_3 .

Table 3. Overview performance of DOEs for indicator I_3

MP	No. of requests submitted ^(a)	No. of DOEs requesting PRC/notification of change	No. of requests having RfC/rejection raised	No. of DOEs having RfC/rejection raised	No. of issues raised
MP 20	24	5	8	4	9
MP 21	24	9	9	5	17
MP 22	59	3	2	1	6
MP 23	4	4	0	0	0
MP 24	2	2	1	1	2
MP 25	0	0	0	0	0

^(a) The requests cover requests for approval of PRCs to both project activities and PoAs under the prior approval track and notifications of changes to CPAs.

4.2. Evolution of performance of DOEs

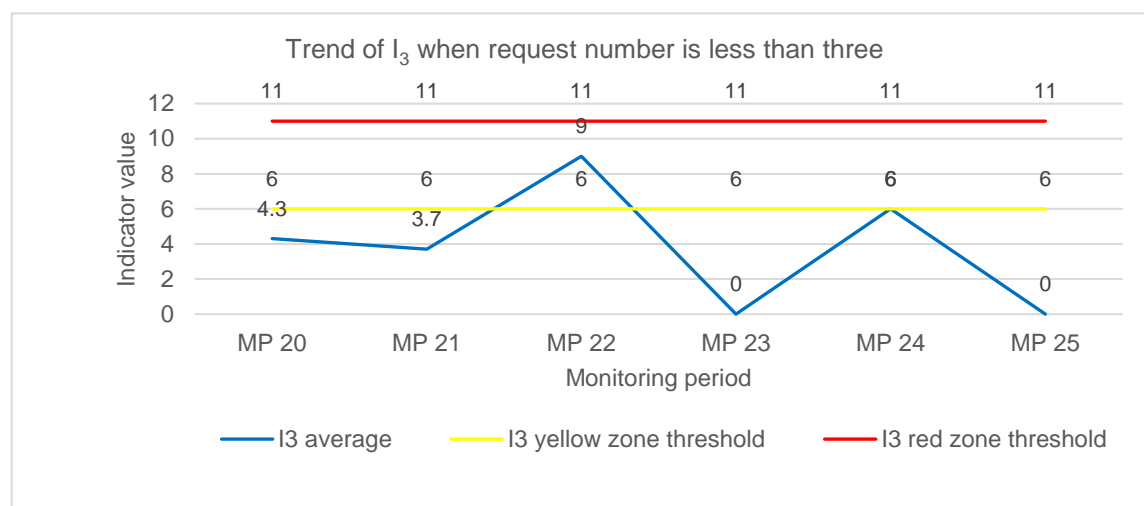
21. Figure 10 shows the trend of indicator I_3 when the number of RfCs and rejected requests raised per DOE is less than three. It is noted that no situation occurred in this reporting period where the number of RfCs and rejected requests raised per DOE is higher than or equal to three.²¹

¹⁹ The DOE performance monitoring procedure, paragraphs 41 and 44, provides for an additional performance assessment (in addition to the number of planned performance assessments) and an initiation of a spot-check if a DOE is in the yellow zone for three consecutive monitoring periods and red zone respectively for indicator I_2 .

²⁰ The DOE performance monitoring procedure, paragraph 15(c), provides a definition of indicator I_3 .

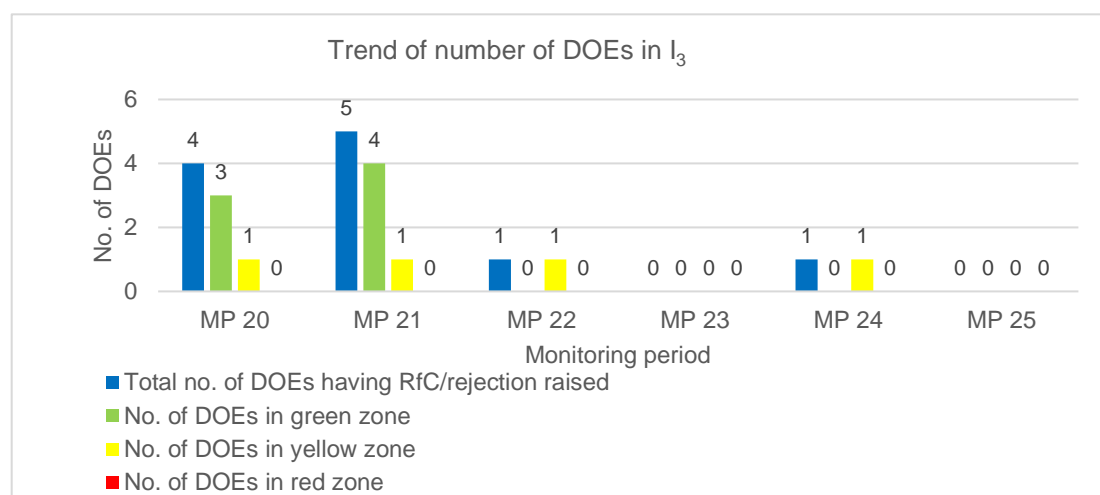
²¹ The DOE performance monitoring procedure, paragraph 15(c)(i), describes how to calculate the indicator I_3 based on the situation when the number of RfCs and rejected requests raised during a given monitoring period is higher than or equal to three and less than three.

Figure 10. Evolving trend of the indicator I_3 for those requests where the number of RfCs and rejected requests during a given monitoring period is less than three



22. Figure 11 shows the evolving trend in number of DOEs for indicator I_3 .²²

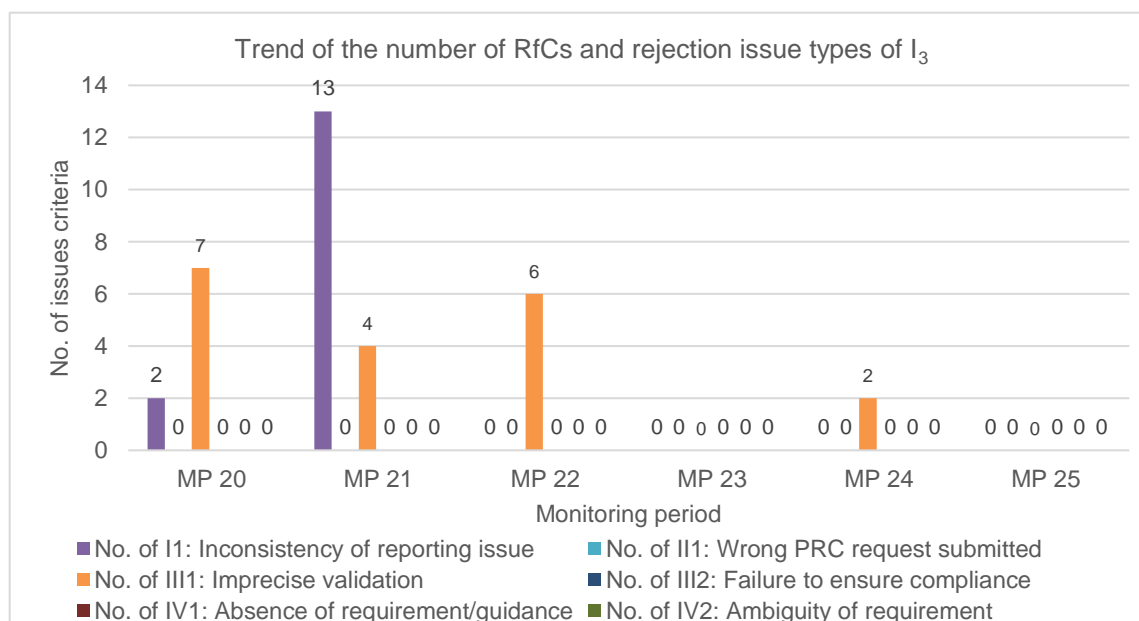
Figure 11. Evolving trend in number of DOEs for indicator I_3



23. Figure 12 shows the evolving trend in number of RfC and rejection issue types for indicator I_3 .²³

²² The DOE performance monitoring procedure, paragraph 26, describes how to categorize the DOEs in the green zone, yellow zone and red zone.

²³ The DOE performance monitoring procedure, Appendix 3, provides the categorization and criteria of non-compliance issues for the indicators I_3 .

Figure 12. Trend in RfCs and rejection issue types for indicator I_3 

4.3. Analysis of results of the indicator I_3

24. As seen in figure 10 (when the number of RfCs and rejected requests raised per DOE is less than three), the average value of indicator I_3 shows a decreasing trend when compared to the previous reporting period, which demonstrates an improved performance of the DOEs. It is noted that there is no request where the number of RfCs and rejected requests is higher than or equal to three, therefore the average value of indicator I_3 remains zero as no RfC issues were raised.
25. As seen from table 3 and figure 11, it is observed that:
- The number of RfCs and rejection requests raised has decreased significantly (19) 1;
 - The number of DOEs that submitted PRCs or notifications of change of CPAs and had received RfCs and rejection requests decreased over the reporting periods (59) 17 per cent;
 - The number DOEs in yellow zone has remained constant across the six monitoring periods.
26. As seen in table 3 and figure 12, with regard to the number of issues raised and types of issues in the RfCs and rejection requests, it is observed that:
- The average number of issues raised per request increased (1.7) to 2. This corresponds to around two issues per RfC and rejection request;
 - The two issues were raised under the issue type III1 "Imprecise validation" for the MP 24, and no issues were observed for MPs 23 and 25.

5. Areas of system-wide improvement

27. Based on the data gathered from the three MPs and the analysis above, overall improvement in the DOE performance is observed for the indicators I_1 and I_2 . Specifically, there is a decreasing trend in DOEs breaching the threshold for indicator I_1 and no DOE breached the threshold for the indicator I_2 . This improvement may also be partly attributed to the lower number of submissions compared to the previous reporting period. The indicator I_3 also showed a decreasing trend relative to the previous reporting period, demonstrating improved DOE performance, which again may be linked to the lower number of submissions. It will be important to continue monitoring the trends for indicators I_1 and I_3 in subsequent monitoring periods.

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Document information

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