

Agenda item 3.2.

Paragraph 13 of the annotated agenda, Annex 6

Draft procedure: Performance monitoring of DOEs

Article 6.4 Supervisory Body – Fourteenth meeting

Baku, Azerbaijan, 5 to 9 October 2024



Procedural background

- At its eighth meeting, the Supervisory Body, adopted the “Procedure: Article 6.4 mechanism accreditation” with a provision to establish the “Procedure: Performance monitoring of designated operational entities”.
- AEP 002 provided the following input to the draft performance monitoring procedure and recommended its adoption to the SBM:
 - ✓ In addition to the measures as proposed in the procedure as an outcome of DOEs performance, DOEs shall undertake a root cause analysis, and propose corrective and preventive actions, upon receipt of information of any unsuccessful VVC submission and review raised by the Supervisory Body and submit evidences within 45 days for the consideration by AEP’s next meeting.



Objective and scope

Objectives

- Set out the process and requirements to monitor the performance of, and address non-compliance by, DOEs in a systematic manner;
- Foster the improvement of the performance of DOEs and provide the SBM and AEP with tools for decision-making on actions in the accreditation process;
- Foster system-wide improvements via identification of issues where guidance or requirements lack clarity or are non-existent.

Scope

| | | Project | | | | PoA | | | | | |
|----------------|-----|---------|-----|-----|-----|-----|-----|----|---------|---------|--------------|
| | | Reg | Iss | RCP | PRC | Reg | Iss | RP | Inc. CP | Ren. CP | PRC_PoA & CP |
| I ₁ | CC | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| | SC | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| I ₂ | Reg | √ | | √ | | √ | | √ | √ | √ | |
| | Iss | | √ | | | | √ | | | | |
| | PRC | | | | √ | | | | | | √ |





Calculation and outcomes (Indicators $I_{1,CC}$; $I_{1,SC}$)

- **$I_{1,Completeness\ Check}$ ($I_{1,CC}$):**
 - ✓ Monitoring DOEs performance at CC stage
 - ✓ Rate of incomplete submission at CC stage
- **$I_{1,Substantive\ Check}$ ($I_{1,SC}$):**
 - ✓ Monitoring DOEs performance at SC stage
 - ✓ Rate of incomplete submission at SC stage
- **Threshold of $I_{1,CC}$ and $I_{1,SC}$:**
 - ✓ Bootstrapping method, Appendix 4
- **Outcomes of $I_{1,CC}$ and $I_{1,SC}$:**
 - ✓ **Green zone:** $I_{1,CC} ; I_{1,SC} \leq \text{Threshold}$
 - ✓ **Red zone:** $I_{1,CC} ; I_{1,SC} > \text{Threshold}$



Calculation and outcomes (Indicators $I_{2,REG}$; $I_{2,ISS}$; $I_{2,PRC}$)

- $I_{2,Registration}$ ($I_{2,REG}$); $I_{2,Issuance}$ ($I_{2,ISS}$); $I_{2,Post-registration change}$ ($I_{2,PRC}$):
 - ✓ Monitoring DOEs performance at request for review stage raised by SBM and /or any host Party or any other participating Party for respective request for registration, request for issuance, request for approval of PRC
 - ✓ Risk priority number (RPN) value, based on weight of issue raised and its frequency as per Appendixes 1, 2, 3 and 4
- **Thresholds and outcomes**
 - ✓ If request for review cases during a monitoring period ≥ 3
 - Indicators $I_{2,REG}$; $I_{2,ISS}$; $I_{2,PRC}$ = Proportion of the RPN values resulting from requests for review for each DOE over the RPN mean value resulting from all requests for review for all DOEs

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 - ✓ If request for review cases during a monitoring period < 3
 - Indicators $I_{2,REG}$; $I_{2,ISS}$; $I_{2,PRC}$ = RPN value resulting from requests for review for each DOE

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Monitoring period and monitoring report

- **Monitoring periods (in any year):**

- ✓ 1 January - 30 June
- ✓ 1 July - 31 December

- **Monitoring reports:**

- ✓ DOE performance monitoring report to DOEs
- ✓ DOE performance monitoring report to the SBM and AEP
- ✓ DOE performance monitoring report to the public
- ✓ Biennial analysis report

- **Frequency of reporting:**

The DOE performance monitoring report shall be issued no later than eight months after the end of each monitoring period, based on data finalized within seven months of the end of each monitoring period.



Actions undertaken (1/2)

- a) If outcome of performance monitoring shows a DOE in yellow or red zone of I_1 or I_2 :
 - ✓ DOE: Conduct root cause analysis, corrective and preventative actions
 - ✓ AEP: Decide focused areas of future assessments
 - ✓ SBM: Consider AEP's recommendation and measures to improve regulations
- b) If outcome of performance monitoring corresponding to 2 consecutive periods shows a DOE in the red zone of I_1 , or any report shows a DOE in yellow zone of I_2 :
 - ✓ DOE: Conduct root cause analysis, corrective and preventative actions
 - ✓ Secretariat: Include instructions in the future assessment workplan
 - ✓ AEP: Decide focused areas of future assessments
 - ✓ SBM: Consider AEP's recommendation and measures to improve regulations



Actions undertaken (2/2)

- c) If outcome of performance monitoring corresponding to 3 consecutive periods shows a DOE in yellow zone of I_2 :
 - ✓ DOE: Conduct root cause analysis, corrective and preventative actions
 - ✓ AEP: Decide focused areas of future assessments and adding one additional performance assessment
 - ✓ SBM: Consider AEP's recommendation and measures to improve regulations
- d) If outcome of performance monitoring corresponding to 4 consecutive periods shows a DOE in green zone of I_2 :
 - ✓ DOE: Conduct root cause analysis, corrective and preventative actions
 - ✓ AEP: Reduce 1 performance assessment from those added
 - ✓ SBM: Consider AEP's recommendation and measures to improve regulations
- e) If outcome of performance monitoring shows a DOE in red zone of I_2 :
 - ✓ DOE: Conduct root cause analysis, corrective and preventative actions
 - ✓ AEP: Initiate a spot-check of a DOE
 - ✓ SBM: Consider AEP's recommendation and measures to improve regulations



Recommendations

The secretariat recommends that the SBM:

- a) **Adopt** the “Procedure: Performance monitoring of designated operational entities” and agree to make it **effective as of 9 October 2024**
- b) Request the secretariat to:
 - i. Publish the DOE performance monitoring reports in accordance with the “Procedure: Performance monitoring of designated operational entities.”
 - ii. Establish the electronic automation workflow.



Thank you



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