

## Agenda item 4.2.

Paragraph 41 of the annotated agenda, Annex 10

# Revision of the Procedure: Performance monitoring of DOEs

**CDM EB 106**

**Virtual meeting, 11 – 13 and 27 – 29 May 2020**



## Procedural background

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- **EB 87 (Nov 2015):** The Board agreed to put on hold the procedure for DOE performance monitoring, due to low volume of submissions received.
  - **EB 92 (Oct 2016) and EB 98 (Feb 2018):** The Board agreed to continue to keep the DOE performance monitoring procedure on hold.
  - **EB 100 (Aug 2018):** The Board requested CDM-AP to revisit its recommendation to put on hold the procedure.
  - **EB 101 (Nov 2018):** The Board requested the secretariat and the CDM-AP, as a matter of priority, to revise the “Procedure: Performance monitoring of DOEs”, including the indicators and thresholds.
  - **EB 102 (Mar 2019):** The Board considered the CN and requested the secretariat and the AP to jointly prepare a revised CN for consideration by the Board.
  - **EB 105 (Nov 2019):** The Board agreed to solutions proposed and requested secretariat to revise the DOE monitoring procedure in consultation with the CDM-AP, for consideration at EB 106. The Board further requested to obtain input from the DOE/AIE Coordination Forum on the revised procedure.
  - **DOE/AIE Coordination Forum (28 Jan – 6 Feb 2020):** Inputs were obtained.
  - **AP 86 (Feb 2020):** Draft revision was considered.
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## Scope and definition

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### Section 1: Introduction

### Section 2: Scope

		PA				PoA				
		Reg	Iss	RCP	PRC	Reg	Iss	RCP	PRC	CPA
<b>I1</b>	CC	√	√	√	√	√	√	√	√	√
	IRC	√	√	√		√	√	√		
<b>I2</b>	Reg_RfR	√		√		√		√		
	Iss_RfR		√				√			
<b>I3</b>	RfC/Rej				√				√	√

### Section 3: Definitions

- Glossary of CDM terms



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## Sections 4 and 5: Data compilation and thresholds definition (I<sub>1</sub>)

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- $I_{1CC}/I_{1IRC}$ :
  - ✓ Rate of incomplete submission at CC/IRC
  - ✓ Threshold:
    - Bootstrapping method, Appendix 4
      - $M = 10,000$ , Best practice.
      - $\alpha = 0.05$ , Most used threshold and to be analyzed during the grace period.
    - **Green zone**:  $I_{1CC}/I_{1IRC} \leq \text{Threshold}$
    - **Red zone**:  $I_{1CC}/I_{1IRC} > \text{Threshold}$



## Sections 4 and 5: Data compilation and thresholds definition (I<sub>2</sub>)

- I<sub>2REG</sub>/I<sub>2ISS</sub>:
  - ✓ RPN value, Appendixes 1, 2 and 4 (Risk Priority Number comprising weight of issue raised and its frequency)
    - If request for review cases ≥ 3
      - Indicator I<sub>2REG</sub>/I<sub>2ISS</sub> = Proportion of the RPN values resulted from requests for review for each DOE over the RPN mean value resulted from all requests for review for all DOEs



- If request for review cases < 3
  - Indicator I<sub>2REG</sub>/I<sub>2ISS</sub> = RPN value resulted from requests for review for each DOE



## Sections 4 and 5: Data compilation and thresholds definition ( $I_3$ )

- RPN value, Appendixes 3 and 4
- If request for clarification and rejected requests  $\geq 3$ 
  - Indicator  $I_3$  = Proportion of the RPN values resulted from requests for clarification and rejected requests for each DOE over the RPN mean value resulted from all requests for clarification and rejected requests for all DOEs.



- If request for clarification and rejected requests  $< 3$ 
  - Indicator  $I_3$  = RPN value resulted from requests for clarification and rejected requests for each DOE.



## Sections 6 - 7: Monitoring periods and monitoring reports (1)

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- **Monitoring periods (in any year):**
  - ✓ 1 January - 30 April
  - ✓ 1 May - 31 August
  - ✓ 1 September - 31 December
- **Monitoring reports:**
  - ✓ CDM-RTDOE-FORM: Report to DOEs
  - ✓ CDM-RTEBAP-FORM: Report to EB/AP
  - ✓ CDM-RTP-FORM: Report to the public
  - ✓ Annual analysis report



## Sections 6 - 7: Monitoring periods and monitoring reports (2)

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### Frequency of reports:

- 1<sup>st</sup> iteration:
  - Based on data finalized within 3 months of the end of each monitoring period (MP), 1<sup>st</sup> iteration shall be issued no later than 4 months after the end of each MP.
- 2<sup>nd</sup> iteration:
  - If 1st iteration does not cover the finalization of 95% requests, the 2nd iteration shall cover:
    - ✓ The requests finalized within 6 months of the end of each MP; or
    - ✓ Finalization of 95% requests, whichever comes first.
  - 2<sup>nd</sup> iteration shall be issued:
    - ✓ No later than 7 months after the end of the same MP; or
    - ✓ No later than 1 month after the 95% of requests finalized, whichever comes first.





## Section 8: Actions to be undertaken (1/2)

Indicator	Zone	Report (version)	Consecutive	DOEs	Secretariat	CDM-AP	CDM-EB
1	I1/I2/I3	Yellow/Red	Any	-	RCA/CAs/PAs	-	• Number of PA; • Area of RS, PA, RA; • Any appropriate recommendation Based on data reported: • Take note • Identify measures to improve regulation framework
2	I1	Red	Final	2	-	Include instruction in WP for AT to assess DOE at next assessment	
3	I2/I3	Yellow	Final	-	-		

- 1st iteration report = final version, if it covers 95% of requests.
- 2<sup>nd</sup> iteration report = final version, if 1st iteration report < 95% of requests.



## Section 8: Actions to be undertaken (2/2)

	Indicator	Zone	Report (version)	Consecutive	DOEs	Secretariat	CDM-AP	CDM-EB
4	I2	Yellow	Final	3	-	-	Add 1 additional PA	Based on data reported: <ul style="list-style-type: none"> <li>• Take note</li> <li>• Identify measures to improve regulation framework</li> </ul>
5	I2	Green	Final	4	-	-	Reduce 1 PA added	
6	I2/I3	Red	Final	-	-	Report to AP	Spot-check	



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## Subsequent work and timelines

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- a) To enter into force on 29 May 2020 with one-year grace period with following:
  - i. “CDM-RTP-FORM: Report to the public” shall not be published during this one-year grace period;
  - ii. “CDM-RTDOE-FORM: Report to the DOEs” and “CDM-RTEBAP-FORM: Report to the Board and CDM-AP” shall be published;
  - iii. CDM-AP may provide any recommendations to the Board after considering the report;
  - iv. Actions specified as per sections 8.2 and 8.3 of the revised procedure shall not be undertaken, unless the Board requests to take such actions.
- b) The process workflow will be modified with the estimated cost of 40,000 Euros once the Board adopts the revised DOE monitoring procedure.



## Recommendations to the Board

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- a) Adopt the revised DOE monitoring procedure with the implementation of the first monitoring period starting from 1 May to 31 August 2020;
- b) Agree on the one-year grace period and the transitional measures;
- c) Request the secretariat to establish the process workflow to implement the revision;
- d) Request the secretariat to report back the outcome of implementation of the revised DOE monitoring procedure after the one-year grace period.



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# Thank you



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