

## **Bullets of 7th EU ETS Compliance Conference Key Note Address, Jos Delbeke (Summary by SQ Consult)**

In his key note address, Jos Delbeke, Director General Climate Action, highlighted the following successes and achievements regarding MRVA and its importance for ensuring the integrity of ETS:

- Substantial progress on the Climate Change Agenda has been made since the Paris Agreement, including its ratification. The EU played a key role in achieving those successes but involvement of other countries including the US and China has also contributed significantly.
- Climate Change requires the combined effort of all countries in the world working together: the development of Global Market-Based Measure in ICAO context, the CORSIA, is an example of combined efforts.
- Monitoring, Reporting, Verification and Accreditation (MRVA) are prerequisites for guaranteeing the integrity of global market based mechanisms, such as emission trading. It is important to continue to show European successes on MRVA to the world, including lessons learnt, for good practices to be considered and taken into account by other countries
- Tracking of data is the backbone of everything related to the integrity of the system and to achieving the 2030 commitments in realising at least 40% reductions of GHG emissions laid down in EU policy. Without integrity national governments cannot carry out the activities assigned to them by political masters.
- The Commission is currently working on the so-called winter package: a set of measures related to energy efficiency, renewable energy, internal market for electricity and gas and a new system of governance based on accurate monitoring and reporting. The primary objective is to have an integrated governance system that covers both Climate Change and Energy in an equal manner. For that purpose it is important to embed ETS in the whole economy and in particular the energy system.
- Significant work has been undertaken since the Paris Agreement. The priority in Marrakech is now the implementation of what has been agreed, and this is the core of the competent authorities' work. INDCs, policy plans and agreements have to be implemented and MRVA is a cornerstone of that implementation work.
- For ETS in particular, MRVA implementation has been crucial for developing a system that is both credible, secure and robust in terms of integrity and operations. Over the years EU ETS MRVA has evolved and is now studied by other countries that have implemented or are developing an emission trading scheme.
- In China the seven emission trading pilot systems are being rolled out into a nationwide emission trading system. The Chinese are highly interested in EU ETS MRVA and the lessons learnt in Europe. The huge effort competent authorities have made in EU ETS, the regulations that have been drafted, the EU wide registry: these are all elements that contribute to the success of EU ETS and which are closely studied in other places of the world.
- Following the recommendations from the European Court of Auditors, the progress Member States have achieved in implementing EU ETS in recent years is impressive. Also the efforts in this forum demonstrate that the European Commission and Member States are serious about the well-functioning of EU ETS and the fact that ETS remains the core of the Climate Change policy.
- Participants of the conference are thanked for the very good work they continue to do and best wishes are expressed for the discussions in the Compliance Conference. MRVA is never completely finished and keeps evolving to implement improvements and update requirements. Despite MRVA remaining pivotal, there is a need to always look for simplifications. Administrative simplification should remain a key focus, now and in coming years.
- While MRVA is at the heart of the integrity and credibility of the system, the need for simplifying the implementation of the different elements of the MRVA architecture should in particular not be overlooked in the deliberations for the next trading period. A perfect system is nice but the same results can sometimes be achieved in simpler ways.