

**EU ETS 2<sup>nd</sup> Compliance Forum Event  
*Moving towards the 3<sup>rd</sup> Trading Period of EU ETS*  
*Compliance:*  
*Keeping it simpler, more efficient and more effective*  
**Brussels, 1-2 October 2012****

**Closing remarks:**

Good afternoon Ladies and Gentlemen,

Thank you for your kind invitation to come here to speak to you today at the closing of this 2<sup>nd</sup> EU Emissions Trading System (ETS) Compliance Forum Event in 2012.

I am sure that you have had a very fruitful discussion over the last two days on the implications of the implementation of the third phase of the EU ETS. The European Commission is eager to find, together with you, the best way forward as regards implementation of EU ETS monitoring, reporting and verification (MRV), indeed making and keeping EU ETS compliance simpler, efficient and effective.

Monitoring, reporting and verification are key pillars of our greenhouse gas emission reduction policy: the first step in addressing climate change is indeed to measure and manage the emissions that are related to it.

Credible, reliable and consistent emissions measurements, solid monitoring systems, and independent verification are at the heart of building confidence and trust in the honest implementation and effectiveness of international greenhouse gas reduction schemes. I am pleased to say that working together (Commission, Member States and the ETS Compliance Forum), now for more than seven years, we have significantly improved the confidence and reputation held for EU ETS.

With the developments that we have most recently introduced in the EU ETS, not least adoption last June of the two Commission Regulations on Monitoring & Reporting and on Accreditation & Verification, we have still further strengthened the credibility of EU ETS and, in turn, the position of the EU in the international negotiations for fighting climate change.

As you know the Monitoring and Reporting and Accreditation and Verification Regulations are directly applicable in all Member States. They have been developed with the specific aim to deliver greater harmonisation and to promote "one tonne emitted is equal to one tonne reported", wherever it is reported. However, we have always recognised that complex and technical legislation such as the Monitoring and Reporting and Accreditation and Verification Regulations need to be supported by further guidance. This is to assist even further the consistent interpretation and

application of requirements, and to accommodate those items deserving of greater flexibility and Member State discretion.

I understand that you have heard yesterday about the suite of guidance materials, including templates, that have been brought forward in support of each Regulation. I think that it is now very important for you to convey the message about the documents back home to (other) Competent Authorities, verifiers, operators and other relevant parties in your Member States. Experience has shown that guidance and especially templates are extremely successful in delivering greater harmonisation and efficiency.

Now I would like to mention the strong and clear new set of documents that we have added in the fields of accreditation of verifiers and verification of annual emissions reports. A new verification report template has been developed with relevant instructions on how to use it. Once again, this is expected to promote a much more consistent approach to verification and greater confidence in the comparability of final verification opinions. Such confidence is all the more important regarding requirement for mutual recognition of accredited verifiers across all Member State borders.

The other templates so far developed and recently endorsed by the Climate Change Committee concern the very important new requirement under the Accreditation and Verification Regulation for information exchange between verifiers, National Accreditation Bodies, National Certification Authorities if relevant and Competent Authorities. I welcome the news that some Member States are proposing to trial some of these templates as early as this year.

Of course, accreditation of verifiers is fundamental to underpinning the processes and personnel involved especially in terms of independence, impartiality and competence. The new EU rules provide an outstanding model for consideration at international level. My Directorate has already been involved in taking the messages and indeed translations of the Monitoring and Reporting and Accreditation and Verification Regulations to China, not mention elsewhere. The Chinese are very eager to learn from the EU experience. At the moment they are establishing a series of pilot initiatives at provincial level that possibly will lead in 3-4 years to the establishment of the main elements of an ETS at national level. In that context we see a great deal of interest from Chinese technical experts on how we have designed and continue to manage our ETS MRV. Just to give you an example at one workshop that the Commission organised last August for the Guangdong province, one of the most dynamic areas, local Chinese experts presented their own preliminary ETS compliance system which is based on the same elements of our ETS MRV. You can understand how this is important if we want to build up a global carbon market. You will be aware that we are also in the midst of technical discussions with Australia concerning linking of our respective emissions trading systems in the next 3-5 years. Even in this case confidence in the comparable quality of data is paramount.

By way of closing, let me say that we look forward to your active involvement and participation in the finalisation of the guidance material that we have jointly drawn up in the current projects and to your promotion of its use. Also, we look forward to hearing your further suggestions concerning priorities for the 2013 project. This may include recommendations for new materials and on how to improve the present guidance and templates. The title of today's event "*Moving towards the 3rd Trading Period of EU ETS Compliance: Keeping it simpler, more efficient and more effective*" wanted to show that we have been successful in our efforts to improve compliance in this way, but also that we must continue working in this direction learning from experience.