



Rethinking the strategic role of Art. 21 reporting: a basis for peer review in the EU ETS?

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Article 21 Reporting: the general issue

- *Member States annual reporting under Article 21 - of the Emissions Trading Directive - on its implementation*
- *EEA publishes a technical report as a summary of the national reports*
- *Reporting is based on a questionnaire (EC Decision 2006/803/EC)*
- *Several implementation issues: coverage of activities and installations, permits, MRG, verification, registries, allocation, surrender of allowances, use of ERUs and CERs, fees, penalties, fiscal treatment, access to information*

Article 21 Reporting: the compliance focus

- Sections 5 and 6 dealing with MRV
- Mix of general, specific and descriptive questions
- General outcome not always relevant in the ETS compliance strategy: need to improve the questionnaire
- Several DG ENV projects (past and ongoing) on evaluating the compliance chain at MS level
- Need for a quality assessment instrument useful for MS and EC

The response: peer review in the EU ETS

- Reporting on ETS implementation goes beyond data collection, need for a high level reporting “management” instrument
- Specific link with ongoing and new EC and CF/IMPEL capacity-building projects on compliance
- Interaction with similar peer-review processes in the inventories under UNFCCC, peer review under the EA – European Cooperation for Accreditation
- Need for a quality assessment instrument useful for improving MS culture on compliance

EU ETS peer review: the way forward

- Establish a CF task-force to explore practical arrangements and modalities for a pilot peer-review exercise starting from a limited number of countries (2-3 MS) accepting to host national review teams
- DG ENV to launch in 2010 a project with consultants on peer review
- In parallel, continue and finalise the revision of the 2006 questionnaire: October TWG meeting, EC adoption

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[http://europa.eu.int/comm/environment/
climat/home_en.htm](http://europa.eu.int/comm/environment/climat/home_en.htm)