

**EU ETS Compliance Forum Event
Compliance Challenges for 2013 and Beyond: Making it
Simpler, more Efficient, more Effective
Brussels, 7-8 February 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 EU Emissions Trading Scheme (ETS) Compliance Forum Event.

This meeting is about the implications of the implementation of the EU ETS and I am sure that you have had a very productive discussion over the last two days. The European Commission is eager to find together with you the best way forward in the context of the EU ETS implementation of monitoring, reporting and verification (MRV) especially in relation to the third trading period.

The first step in addressing climate change is to measure and manage the emissions that are related to it. In this case the evergreen management rule “if you cannot measure, you cannot manage” is more than valid.

The success of greenhouse gas emission policies and programs is for a great part defined by the integrity and credibility of greenhouse gas measurement and accounting systems. Any serious effort to address the problem of climate change must be based on the effective and robust measurement and reporting of GHG emissions,

The accuracy of credible, reliable and consistent emissions measurements, solid monitoring systems, and independent verification are at the heart of any global mitigation strategy. I am pleased to say that what we have been developing together (Commission, Member States and the ETS Compliance Forum) in the past six years has produced some very important results.

In fact the new developments that we see in the EU ETS, following the approval last December by the Climate Change Committee of the two draft Regulations on Monitoring & Reporting and on Accreditation & Verification, are crucial to reinforcing the credibility of the EU ETS and strengthening the position of the EU in the international negotiation for fighting climate change.

I would like in particular to mention the strong and clear new set of procedures that we now have in the fields of accreditation of verifiers and verification of annual emissions reports.

The confirmed and streamlined role that accreditation will play in the system provides opportunity to underpin the quality of verification of annual emission reports and at

the same time ensure overall harmonisation within the system as regulated by Article 15 of the EU ETS Directive.

Accreditation of verifiers is required to ensure that the processes and personnel involved in verification activities comply with independence, impartiality, competency and other requirements laid down at the EU level, and in national legislation, standards and relevant guidance. The new rules that we have been developing in the EU will be taken as an example at international level.

A robust transparent and rigorous measurement, reporting and verification framework and common accounting rules are key to the credibility of any future legally binding agreement.

Strengthening measurement, reporting and verification is a critical step in the evolution of the international climate regime. Effective measurement, reporting and verification can strengthen confidence among parties and in the regime as a whole by better enabling parties to assess how well others are fulfilling their obligations. It also can help parties to track progress toward a long-term climate goal, to learn from one another's policy experiences, and to target support for parties' implementation efforts. Of course, making it simpler, more efficient and more effective – the theme of your Compliance Forum Event – is a very important additional requirement in strengthening the MRV framework.

We have just come up with a legal proposal for a new measurement, reporting and verification system within our Monitoring Mechanism to underpin our future commitments which we expect now to be negotiated in the Parliament and Council so as to take effect at the end of this year.

This new legislation not only covers issues related to commitments made at domestic and international level with regards to mitigation and financing but also significantly enhances domestic review and compliance procedures, creating early warning and support mechanisms.

The issues that you have been discussing in these two days in the context of implementing MRV within the EU ETS will greatly contribute to the overall framework of our fight against climate change.

Finally, let me say that we look forward to your active involvement and participation in the development of the guidance material that we will jointly draw up in the coming months to support implementation of the two draft Regulations on Monitoring & Reporting and on Accreditation & Verification, as you know best the practical problems on the ground and consequently the solutions that you have been developing.

The title of today's event "Compliance Challenges for 2013 and Beyond: Making it Simpler, more Efficient, more Effective" has never been more appropriate. **Business as usual is simply not an option.**