

Monitoring, reporting and permitting:

NGO perspective on strengthening the backbone of the EU ETS

Tomas Wyns

Climate Action Network Europe



- The importance of Monitoring, Reporting & Verification (MRV)
- Flawed implementation of MRG, GHG permits
- Missing link between monitoring protocol, reporting and verification
- Recommendations

2. MRV: backbone of the EU ETS



Weak or flawed MRV can harm the environmental effectiveness of the EU ETS

- Leakage (market destabilisation)
- Reduced credibility of the system
- Harm future linking of the EU ETS with other ET schemes

Flawed implementation of EU ETS

- Different interpretation, implementation of Monitoring Protocols in Member states (new MRG better, but no guarantee to excellent and harmonised implementation)
- GHG permit from “just a piece of paper” to “full integration in environmental permit”
- E.C. doesn't have the necessary, detailed info on implementation of EU ETS (EEA – article 21 report not sufficient) for good assessment of implementation

Flawed implementation of EU ETS (examples)

- Not all Member State do on site visits in GHG permit procedure
- GHG permits sometimes handed out without thorough assessment of Monitoring Protocols
- Cases of no or limited follow up on on site implementation of Monitoring Protocols and GHG permit (see later)
- Application of “general binding rules” instead of site specific monitoring protocols and GHG permits
- Limited enforcement of rules, in practice

Recommendations I:

- Amended directive should focus on improved permit procedures
 - *Stronger interaction between Monitoring Protocol and permit*
 - *Better integration of GHG permit in IPPC permit*
- Expand MRG with guidance for Member States (on best practices) with regard to assessment of M.P. , permit procedures, ...
 - *more harmonised implementation of EU ETS*
- In country expert reviews of implementation of EU ETS directive (once every trading period): scope, monitoring protocols, link with GHG permit, enforcement of permit conditions, accreditation rules.
 - *review the application of the above mentioned best practices*

4.1. A foolproof MRV system?

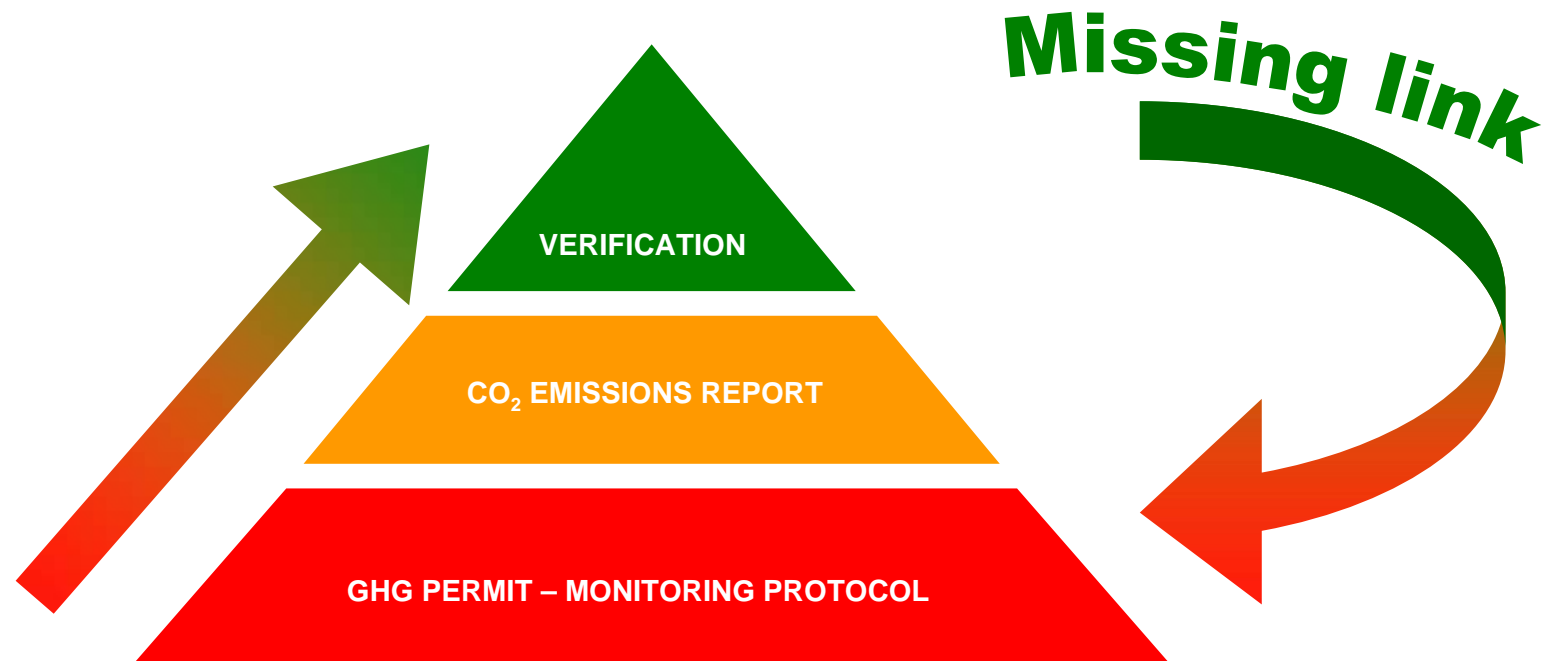


Monitoring protocol = foundation for everything else

BUT

- Lack of technical expertise, time and human resources in (some) Member States (competent authorities) for good assessment
- Lack of technical expertise with verifiers (limited understanding of technicalities in Monitoring Protocol, permit) to do thorough verification
- Weak or no feedback (legal link) between verification of CO₂ emissions and Monitoring Protocols (see next slides)

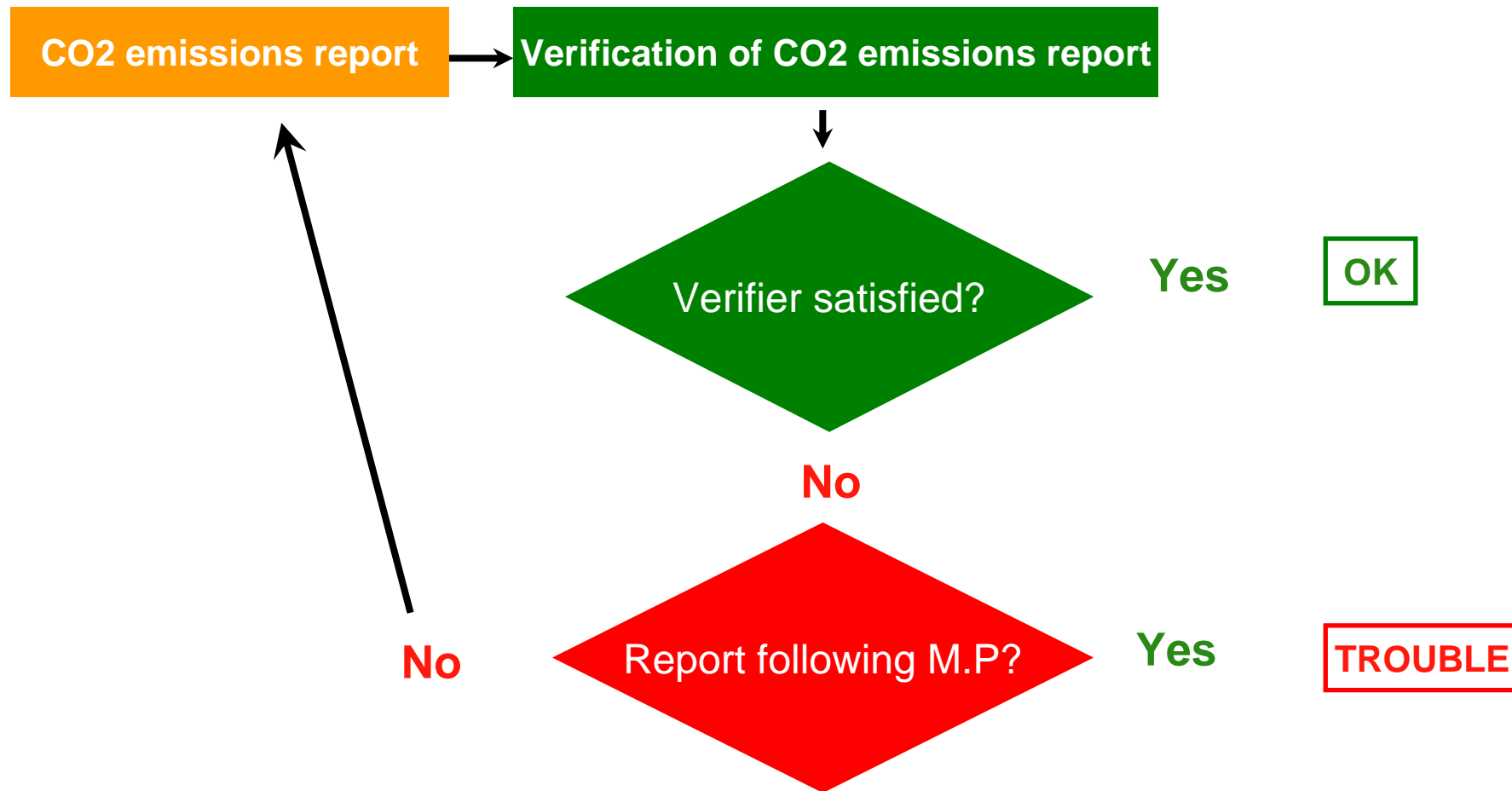
4.2. A foolproof MRV system?



4.3. A foolproof MRV system?



Missing link in the MRV system: What can happen?



Recommendations II:

Good technical verification of Monitoring Protocols

- *urgent need for best practice guidance for Competent Authorities on how to assess Monitoring Protocols*
- *auditing of site level implementation of Monitoring Protocols*

Recommendations III:

Establish (legal) link between verification of CO₂ reports, Monitoring Protocol and permit

- *Verification of reports must relate back to Monitoring Protocols and permit*
- *Verifier has to make recommendations for adjustment of Monitoring Protocol (and permit) to Competent Authority*
- *Unsatisfactory verification leads automatic to permit review*

! Assessment of technical capacity is essential in accreditation of verifiers

- *accounting standards alone are not sufficient*
- *activity, sector level accreditation for verifiers*

Expanding the scope of the ETS



Thank you for your attention

Tomas Wyns

Climate Action Network Europe

Rue de la charité 48, 1210 Brussels

tomas@climnet.org

www.climnet.org