

A stylized tree graphic with a thick trunk and many thin, branching roots extending downwards. The canopy is represented by several thin, curved lines at the top.

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Peer Review evaluation of Article 21 report

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Content

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Mission/target

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Peer Review (PR) as a tool to move towards harmonisation and improvements of compliance cycle (i.e. monitoring, reporting, verification) of European Union Emissions Trading Schema (*EU ETS*)?

Process

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- Preliminary workshop and training for the peer review team members
- Preparational work (agendas, templates, information sharing with involved stakeholders)
- PR
- Finalization of the peer review process (recommendations, findings)

Team Members and host countries

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- Andrew Matterson (United Kingdom)
 - Inese Kumahere (Latvia)
 - João Bolina (Portugal)
 - Getlyn Makke (Estonia)
- Krzysztof Olendrzynski (Poland/UNECE)

Host country I – The Netherlands (21-23.09.2011)

Host country II – Denmark (05-06.10.2011)

Work process

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- Training – in order to align the capacity on PR process
- Preparation in details for the review (questionnaire/check list)
- PR (*inspection of the EU ETS implementation in host country, interviews with experts, open minded and constructive discussions*)
- Summit of process (conclusions, findings, recommendations, best practice)

Conclusions I

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Review Team (RT) noted during both visits that:

- * Reviews were very well prepared by the host countries
- * Presentations, information to public and available databases very informative
- * Discussions with the RT in very open and friendly atmosphere and went into very details of compliance processes
- * As to Dutch Emission Authority (NEa), RT impressed by thoroughness of validation of monitoring plans and compliance assurance through site visits and inspections, verifiers are surveyed
- * As to Danish Energy Agency (DEA), RT equally impressed by efficiency and effectiveness of the small “*DEA-ETS*” and how they have build up an effective national system (e.g “small emitters approach”)

Conclusions II

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RT conclusions on the possible usefulness of the PR as an instrument:

- * PR, if well prepared and organised, can be effective & welcome instrument for compliance in EU ETS
- * Allows thorough discussion between EU ETS experts from different Member States/Competent Authority (MS/CA)
- * Enhances learning from each other and see choices other MS have made
- * Reflect much better on reasons why these choices in the past were made and whether changes in the compliance processes could be an option
- * PR could become additional compliance assuring instrument, complementary to the Article 21 report

Conclusions III

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However, PR instrument has limitations and constraining factors:

- * PR needs to be well prepared and organised with well-defined questions covering topics to be reviewed in order to allow in-depth discussions (drafted in advance of the PR)
- * Host countries need to be identified well in time and invited to host a PR
- * Candidate experts for RT coming from different MS, balancing advanced and less resourced MS
- * RT itself be well organised with a division of concrete tasks between members, with clear PR structure and team leader
- * Organisation of PRs is unavoidably time consuming for all involved parties, so no more than 2-3 reviews per year
- * Evaluation of last set of PRs before entering in next set of PRs

Therefore PRs in 3rd trading period needs organisational structure, agreed procedures, decision mechanism and proper budgets.

Recommendations

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Present experiences and lessons learnt for discussion on future uses of PR as an instrument:

- * Develop organisational and facilitating structure through designated facilitator or secretariat, charged with developing procedures, drafting questionnaires, exploring participation from MS;
- * Expand ideas on how to set up PRs in practicable way, provide organisational structure and procedures;
- * Focus to assist MS in compliance processes, exchange best practices, networking, cooperating, identify areas for improvement;
- * Ensure confidentiality to allow full openness, uninhibited exchange of views, independence and neutrality and absence of commercial interest;
- * Finally, ensure proper budget reservations to allow two annual PRs

A logical step could be to have two more PRs in 2012 and perhaps two more in 2013



Peer Review as a tool could
strengthen the annual Article 21
reporting tool, what may lead to more
consistency and harmonization of
national EU ETS implementation
instruments



Questions?



Thank you for Your attention!

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