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CLIMA.C.2 - Governance and Effort Sharing

Guidance Document

The Accreditation and Verification Regulation - Quick guide on the role of the verifier and the CA

Final version, 27 November 2017

This document is part of a series of documents and templates provided by the Commission services for supporting the implementation of Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emissions reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council.

The guidance represents the views of the Commission services at the time of publication. It is not legally binding.

This guidance document takes into account the discussions within meetings of the informal Technical Working Group on the Accreditation and Verification Regulation under WGIII of the Climate Change Committee (CCC), as well as written comments received from stakeholders and experts from Member States.

All guidance documents and templates can be downloaded from the documentation section of the Commission's website at the following address:
http://ec.europa.eu/clima/policies/ets/monitoring/index_en.htm.

Version History

Date	Version status	Remarks
18 December 2013	published	
27 November 2017	re-published	Include reference to new guidance material developed in 2015 (FAQ on classification of outstanding issues in the verification report)

Background

This quick guide is part of a suite of guidance documents developed by the Commission to explain the requirements of the EU ETS Regulation on Accreditation and Verification (AVR)¹. The suite of guidance documents consists of:

- an explanatory guidance on the articles of the AVR (EGD I), including a user manual providing an overview of the guidance documents and their interrelation with the relevant legislation;
- key guidance notes (KGN II) on specific verification and accreditation issues;
- a specific guidance (GD III) on the verification of aircraft operator's reports;
- templates for the verification report and information exchange requirements;
- exemplars consisting of filled-in templates, checklists or specific examples in the explanatory guidance or key guidance notes;
- frequently asked questions.

This quick guide explains the role of the verifier versus that of the competent authority (CA). Where relevant, reference is made to other documents in the suite of guidance documents. The quick guide represents the views of the Commission services at the time of publication. It is not legally binding.

The note applies to the **verification of operator's or aircraft operator's reports**. Please note the following:

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| <ul style="list-style-type: none">▪ Wherever this note uses the term 'report' it means the operator's emissions report, the aircraft operator's emissions report or the tonne-kilometre report.▪ Wherever the note uses the term 'operator' this means that the relevant phrase is also applicable to aircraft operator unless this is specifically mentioned otherwise in the note. |  |
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1. Role of the CA versus the role of a verifier

The CA and the verifier each have their own distinct roles and responsibilities. The table below provides an explanation of these roles and responsibilities while referring to other guidance material for further information.

It should be remembered that although the verifier is commissioned by the operator to conduct their verification, the verifier is required to act "in the public interest" to ensure that the operator is in compliance and reporting accurate data by the deadline for annual reporting.

¹ Commission Regulation (EU) No 600/2012 of 21 June 2012 on the verification of greenhouse gas emissions reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council, OJ EU, L 181/1.

Element	Role of the CA	Role of the verifier	Guidance on role of verifier
Monitoring plan (MP)	<p>The CA approves the monitoring plan (MP) and checks whether the operator monitors and reports its emissions in accordance with the MP and the Monitoring and Reporting Regulation (MRR)²</p> <p>(Chapters 3 and 5 of MRR Guidance document No. 1: General guidance for installations; and Chapters 4 and 6 of MRR Guidance document No. 2: General guidance for aircraft operators)</p>	<p>The verifier takes the MP as its starting point and checks among other things whether the operator is in compliance with the MP and whether the operator's report is free from material misstatements. For more guidance on what the verifier should check, please see KGN II.1.</p>	<p>Key guidance note II.1 on scope of verification (KGN II.1)</p>
Compliance with the MRR	<p>During the approval process the CA checks whether the submitted MP is in line with the MRR. After the approval process the CA may also carry out spot checks on whether the operator monitors and reports its emissions in accordance with the MP and the MRR.</p> <p>(Chapter 3 of MRR Guidance document No. 1: General guidance for installations; and Chapter 4 of MRR Guidance document No.2: General guidance for aircraft operators)</p>	<p>The verifier is not required to do a full blown check against the MRR. However the verifier must gain sufficient assurance that the data are fairly stated. In that respect the verifier will check the MRR to some extent, in particular with respect to operator's data flow activities, control activities and procedures. The verifier must report any non-compliance with the MRR coming to its attention, for example in checking against the approved MP, or other aspects directly related to data accounting. It is the verifier's responsibility to assess whether the data is fairly stated by checking records of the actual performance on site against what is declared.</p>	<p>Key guidance note II.1 on scope of verification (KGN II.1)</p>

² Commission Regulation (EU) No 601/2012 of 21 June 2012 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council, OJ EU,12 July 2012, L181/30.

Element	Role of the CA	Role of the verifier	Guidance on role of verifier
Changes to the MP	<p>The CA approves significant changes to the MP.</p> <p>(Section 5.6 of MRR Guidance document No.1: General guidance for installations; and Section 6.5 of MRR Guidance document No.2: General guidance for aircraft operators)</p>	<p>If the verifier has identified changes in the monitoring methodology that have not been notified to the CA, the verifier must report this to the operator. Depending upon the type of change, follow-up action may vary.</p>	<p>Diagram in the Key guidance note II.1 on scope of verification (KGN II.1)</p>
Operator's procedures	<p>The MP includes an outline summary of and references to operator specific procedures, including on data flow and control activities (Annex I of the MRR). During the approval process the CA will check the summary of these procedures. The actual detailed written procedures are not included in the MP. The CA may also carry out spot checks on whether the detailed procedures are in line with the MRR.</p> <p>(Sections 5.4 and 5.5 of MRR Guidance document No. 1: General guidance for installations; and Sections 6.2 and 6.3 of MRR Guidance document No. 2: General guidance for aircraft operators)</p>	<p>The verifier checks whether the procedures summarised in the MP:</p> <ul style="list-style-type: none"> ▪ are present, complete, appropriate, properly documented and retained; ▪ are effective to mitigate the identified risks; ▪ contain the information identified in the summary of the procedures in the approved MP; ▪ have been implemented throughout the year, applied by all relevant persons; and ▪ are maintained and kept up to date. 	<p>Key guidance note II.1 on scope of verification, section 2.3 Key guidance note II.3 on process analysis (KGN II.3) and COM AV FAQ</p>
Sampling plan	<p>The CA approves the sampling plan(s) that an operator of the installation needs to compile in accordance with Article 33 of the MRR if calculation factors are analysed.</p> <p>(MRR Guidance document No.5: Guidance on sampling and analysis; and MRR FAQ)</p>	<p>The verifier must for example check whether:</p> <ul style="list-style-type: none"> ▪ sampling is carried out according to the approved sampling plan(s); ▪ the sampling plan has been changed; and, where relevant, whether these changes have been approved by the CA; ▪ the sampling plan is still appropriate and can deliver representative samples for the current operational circumstances; ▪ the procedure(s) associated with the sampling plan are documented, implemented, maintained and effective. 	<p>Section 3.2 Key guidance note II.3 on process analysis (KGN II.3) and the COM AV FAQ on how to check an operator's sampling plan</p>

Element	Role of the CA	Role of the verifier	Guidance on role of verifier
Operator's supporting documents such as uncertainty assessment and risk assessment	<p>Some documents are not included in the MP but must be submitted to the CA to support the approval of the MP. These include the uncertainty assessment and the operator's risk assessment etc.</p> <p>MRR Guidance document No. 6: Guidance on data flow activities and control system; MRR Guidance document No.4: Guidance on uncertainty assessment; and MRR FAQ)</p>	<p>Irrespective of their submission to the CA, the verifier checks whether these documents have been prepared and updated as required. If anomalies are identified in the documents, the verifier identifies weaknesses and may make recommendations for improvement, and reports these in the verification report. Specific guidance on how to address uncertainty is provided in section 4.1 Key guidance note on process analysis (KGN II.3). Specific guidance on how the verifier checks the operator's risk assessment is provided in section 4 of Key guidance note II.2 on risk analysis (KGN II.2).</p>	<p>Key guidance note II.1 on scope of verification Section 4.1 Key guidance note II.3 on process analysis (KGN II.3)</p> <p>Section 4 Key guidance note II.2 on risk analysis (KGN II.2).</p>
Specific monitoring and reporting issues	<p>The CA assesses all elements of the MP and checks whether they are in line with the MRR. Spot checks may also be carried out on whether specific monitoring and reporting situations are (still) in line with the MRR (e.g. technical competence of non-accredited labs, quality assurance of measurement equipment etc.)</p>	<p>The verifier foremost assesses elements with a view to determining whether data are free from material misstatements. It is part of assessing inherent and control risks in data accounting, as well as assessing the robustness of the control activities and procedures in place.</p>	<p>Key guidance note II.3 on process analysis (KGN II.3) and several questions in the COM AV FAQ</p>
Regulatory issues identified by the verifier during verification	<p>Where regulatory issues are identified during the verification, the operator must notify and agree the corrections with the CA. Such situations may involve approval of significant changes, correcting a situation where the operator is not monitoring in line with the MRR and the monitoring plan must be updated etc.</p>	<p>During the verification the verifier may identify issues that cannot be corrected by the operator without involvement of the CA. In those cases the verifier directs the operator to the CA. If the situation is not resolved before the verification report is issued to the operator, the verifier assesses its material impact on the reported emissions and reports the outcome of this assessment in the verification report (as well as reporting the issue itself).</p>	<p>Key guidance note II.1 on scope of verification (KGN II.1)</p>

Element	Role of the CA	Role of the verifier	Guidance on role of verifier
Site visits	<p>The operator must submit to the CA an application for approval of a waiver of the verifier's site visit - if the installation emits more than 25,000 tonne CO_{2(e)} per year.</p> <p>In general, there is no direct communication between the CA and the verifier on the waiver of site visit.</p>	<p>In principle the verifier carries out site visits at one or more appropriate times during the verification process.</p> <p>Only under certain specified conditions can a site visit be waived provided it is justified by the verifier's formal risk analysis and supported by a specific assessment of the verification risks of not carrying out a visit to the operator's site.</p>	<p>Key guidance note II.5 on site visits (KGN II.5) COM AV FAQ</p>
Misstatements, non-conformities and non-compliance with the MRR	<p>The information reported in the verification report provides information to the CA on issues arising.</p> <p>In some cases follow-up action by the CA is required (e.g. where the verification report states that the emissions report cannot be verified as satisfactory; approval of improvement reports submitted by an operator as a result of non-conformities identified by the verifier, etc.).</p>	<p>The verifier is required to report issues in the verification report. This includes outstanding misstatements, non-conformities, non-compliance with the MRR and recommendations for improvements.</p> <p>This also includes specific M&R issues identified during verification (e.g. data gaps, non-reported changes to the capacity of an installation etc.).</p>	<p>Key guidance note II.6 on verification report (KGN II.6) and section 3.2.13 of the Explanatory guidance document No. 1 (EGD I) and section 3.2.13 of AV Guidance document for aircraft operators No. III (GD III)</p> <p>FAQ on classification and reporting outstanding issues in VR</p>
Improvement	<p>An operator must submit an improvement report to the CA on how it will address recommendations from the verifier. The improvement report is subject to CA approval.</p> <p>(Section 5.7 of MRR Guidance document No. 1: General guidance for installations; and Section 6.6 of MRR Guidance document No.2: General guidance for aircraft operators)</p>	<p>If the verifier identifies areas for improvement during the verification, it is required to make recommendations for improvement in the verification report.</p>	<p>Section 3.3. EGD I and GD III</p>