



TERMS OF REFERENCE (ToR)

FOR A SUBGROUP OF EXPERTS ON DELEGATED ACTS ON VERIFICATION AND ACCREDITATION UNDER THE MRV REGULATION (SHIPPING MRV VERIFICATION AND ACCREDITATION)

ESTABLISHED UNDER THE EUROPEAN SUSTAINABLE SHIPPING FORUM (ESSF)

1 INTRODUCTION

In order to pave for the implementation of Regulation on monitoring, reporting and verification of carbon dioxide emissions from maritime transport and amending Directive 2009/16/EC ("the MRV Regulation") the Commission services have decided to establish a technical subgroup on delegated acts on verification and accreditation under the European Sustainable Shipping Forum.

The subgroup shall be bound by the following terms of reference, laying down its objectives, tasks, deliverables and way of operation.

1.1 Context and rationale

Regulation (EU) 2015/757 of the European Parliament and of the Council on the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and amending Directive 2009/16/EC (therein after, the MRV Regulation) was adopted on 29th April 2015¹ and will enter into force in July 2015.

The primary objective of the MRV Regulation is "to promote the reduction of CO₂ emissions in a cost effective manner" (Art. 1) by establishing a robust system for the monitoring and reporting of verified data on annual fuel consumption, CO₂ emissions and other energy efficiency-related parameters from ships above 5000 gross tonnes, calling at EU ports, from 1st of January 2018 onwards.

By providing reliable data on fuel consumption and emissions the MRV Regulation will ensure that the sector and the policy makers become increasingly aware of the sector's contribution to climate change creating incentives to reduce emissions. It also aims at

¹ *OJ L 123, 19.5.2015, p. 55–76*

overcoming current market barriers as for example the lack of information, which are currently hampering informed stakeholders' decisions.

A number of legal acts further specifying the verification and accreditation provisions of the MRV Regulation will need to be adopted in order to enable the implementation of the MRV system. In particular, Articles 15(5) and 16 (3) of the MRV Regulation provide for the Commission to further specify the rules for the verification activities and the methods of accreditation of verifiers performing shipping MRV verification activities by means of delegated acts. When adopting these legal acts, the Commission shall take into account the elements set out in Part A and B of Annex III of the MRV Regulation.

Submission of robust aggregated annual data verified by an accredited third party is the backbone of the MRV Regulation. Essential aspects of the verification and accreditation process are already part of the MRV Regulation. According to the MRV Regulation, verifiers will be required to:

- I. assess the conformity of the monitoring plan;
- II. assess the conformity of the emission report;
- III. issue a verification report with an opinion statement on the emission report and specifying all issues spotted during the verification process;
- IV. issue and communicate to the Commission a document of compliance indicating that the emission report can be considered satisfactory.

In order for a legal entity to carry out verification activities under the MRV Regulation, it shall be accredited by a national accreditation body, pursuant to Regulation 765/2008.

The Commission attaches particular importance to appropriate consultations, including at expert level, in the preparation of the delegated acts further specifying the rules for the verification activities and the methods of accreditation of shipping MRV verifiers.

1.2 Mandate

The subgroup shall advise the Commission concerning verification and accreditation procedures in view of the preparation of the delegated acts required under Articles 15 (5) and 16 (3) of the Regulation on monitoring, reporting and verification of carbon dioxide emissions from maritime transport. Its work should include sharing of expertise and best practices relevant to verification and accreditation activities under the MRV Regulation, in order to identify the way these best practices can be converted into applicable rules.

2 OBJECTIVES, TASKS, DELIVERABLES AND TIMETABLE

2.1 OBJECTIVES

The subgroup shall act as a stakeholder platform discussing and providing feedback to the Commission with the following objectives:

1. Identification of best verification practices and advice on how to translate the relevant elements into verification rules applicable to shipping MRV activities;
2. Identification of best accreditation practices and advice on how to translate the relevant elements into accreditation rules applicable to shipping MRV activities;

3. Feedback on draft templates for monitoring plans and emission reports and related technical rules for submission, when required.

2.2 TASKS

2.2.1 Identification of relevant verification rules

The subgroup shall identify any relevant rules concerning the verification activities to be carried out under the MRV Regulation, and in particular as regards the elements set out in part A of Annex III of the MRV Regulation:

- Competencies of the verifiers;
- Documents to be provided by companies to verifiers;
- Risk assessment to be carried out by the verifier;
- Assessment of the conformity of the monitoring plan;
- Verification of the emission report;
- Materiality level;
- Reasonable assurance to be reached by the verifier;
- Misstatements and non-conformities;
- Content of the verification report;
- Recommendations for improvements;
- Communications between company, verifier and Commission.

2.2.2 Identification of relevant accreditation rules

The subgroup shall identify any relevant rules concerning accreditation under the MRV Regulation, and in particular as regards the elements listed in part B of Annex III of the MRV Regulation:

- How accreditation for shipping activities can be requested;
- How verifiers will be assessed by the national accreditation bodies in order to issue an accreditation certificate;
- How the national accreditation bodies will perform the surveillance needed to confirm the continuation of the accreditation;
- Requirements for national accreditation bodies in order to be competent to provide accreditation to verifiers for shipping activities, including reference to harmonised standards.

2.2.3 Templates for monitoring plans and emission reports

When required, the subgroup will be called to provide feedback, based on its expertise, to the shipping MRV subgroup on delegated acts on monitoring methods and implementing acts on monitoring cargo carried and templates, which will be in charge of helping the Commission with regard to templates for monitoring plans and emission reports and related technical rules.

2.3 DELIVERABLES AND TIMETABLE

The subgroup would begin its work in July 2015 and shall report on the progress made at the ESSF Plenary to be held end of 2015. The rapporteur (s) shall participate to the ESSF Plenary meetings and report about progress.

The subgroup should prepare a draft report by May 2016 and deliver the final report to the ESSF Plenary to be held mid 2016 at the latest, unless it is otherwise requested by the ESSF Plenary.

The subgroup is requested to address to the ESSF a report of 6 pages maximum, plus Annexes, containing an analysis of findings and a set of conclusions and recommendations on the basis of found evidence. The report is to be made publicly available.

The main section of the report should include the following main deliverables:

Verification

D.1.1 Best verification practices compendium (industry practice, voluntary schemes);

D.1.2 Assessment of the elements contained in the Commission Regulation 600/2012 and in international rules/standards (as for example EN ISO 14065) applicable to verification under the MRV Regulation;

D.1.3 Define procedures for the assessment of the monitoring plans;

D.1.4 Define procedures for the verification of the emission report (including materiality level and maximum permissible uncertainty, risk analysis and site visits).

Accreditation

D.2.1 Best practices compendium;

D.2.2 Assessment of the elements from the Commission Regulation 600/2012 applicable to accreditation under the MRV Regulation;

D.2.3. Define procedures related to accreditation (competence of NABs, requests for accreditation, assessment and surveillance of accredited verifiers, and administrative measures);

Templates

D.3.1 Recommendations or input regarding elements of the monitoring plan and emission report templates and related technical rules, relevant for verification activities.

3 OPERATION OF THE EXPERT GROUP

3.1 Number, identification, and selection of experts

The subgroup comprises representatives of (all) Member States to reflect the legal nature of its tasks. It also includes, ship operators and ship-owners, NGOs, classification societies, independent greenhouse gas emissions verifiers, national accreditation bodies, and representatives of voluntary schemes with the relevant expertise to ensure informed

assessment and decisions on all the areas covered by the current ToR. The composition of this subgroup may vary according to the priorities to be tackled and to the issues to be dealt with on the agenda.

The members will be proposed by the Commission, and appointed by the Plenary in agreement with the Commission, on the basis of the following criteria:

- high level of expertise/experience in at least one of the relevant fields for verification and accreditation as encompassed by the Subgroup;
- Appropriate range of skills in the different fields related to the MRV Regulation, combined with the ability to examine related questions and analyse specific issues in the general context (legislative, economic, etc.).

Provided that the above two conditions can be satisfied, other criteria are also taken into consideration:

- appropriate balance between regulatory, academic and industry expertise;
- a reasonable balance of geographical origins.

3.2 Working method

The subgroup will be chaired by representative of the Commission and a representative of the subgroup member will be Vice-Chair. The appointment of the subgroup Vice-Chair will be voted by simple majority.

The Chair and Vice-Chair of the subgroup decide on its working methods; they are however requested to ensure that the subgroup members and the supporting expertise are best exploited to allow for such in-depth analysis in all the areas covered by these ToR.

The subgroup includes one, or more highly qualified rapporteurs depending on whether specific expertise is needed in one particular area of the subgroup's mandate. The rapporteur (s) will prepare and coordinate the final report of this subgroup, on the basis of all members' written contributions and of relevant material and events identified by the group members and/or the Commission. The rapporteur (s) will take responsibility for preparing (compiling and editing) the subgroup's report, in close cooperation with the other members of the subgroup.

The European Maritime Safety Agency (EMSA) shall provide the administrative and technical secretariat activities to the subgroup, along with their specific expertise in this field.

3.3 Meetings

The meetings of the subgroup shall be held in the Commission' or EMSA's premises. The subgroup shall meet at least twice per year. Commission officials may attend meetings of the subgroup.

3.4 Duration

The subgroup shall be disbanded as soon as its mandate is fulfilled.