



EUROPEAN COMMISSION  
IMPACT ASSESSMENT BOARD

Brussels,  
D(2011)

## Opinion

**Title**                    **DG CLIMA - Impact Assessment for an amendment of Decision 280/2004/EC of the European Parliament and Council ("Monitoring Mechanism Decision")**

**(draft version of 24 May 2011)**

### **(A) Context**

Decision 280/2004/EC ("Monitoring Mechanism" Decision- "MMD") concerning a mechanism for monitoring EU greenhouse gas (GHG) emissions and for implementing the Kyoto Protocol and its implementing provisions (Decision 2005/166/EC) are the main monitoring, reporting, and verification (MRV) instruments with regard to GHG emissions. They set out the details for reporting of anthropogenic GHG emissions by sources and removals by sinks and for providing information as regards national programmes to reduce emissions, GHG emission projections, and policies and measures in accordance with the United Nations Framework Convention on Climate Change (UNFCCC). In light of experience with the implementation of the MMD and the additional experience through the international negotiations and the implementation of UNFCCC requirements, as well as changing domestic and international requirements, this IA examines the options for and impacts of possible changes to the current Monitoring Mechanism.

### **(B) Overall assessment**

**While the IA report provides a basis for decision-making it should be improved in a number of important respects. First the report should better present the general background/policy context and explain the problems and the main drivers of change in clear and simple language. The report should include the results of any ex-post evaluation. The report should provide a better justification for change to the EU monitoring requirements at this stage given that similar UN reporting requirements, which will have an impact on the EU and Member States, are still under review. On that basis the report should better justify the added-value of additional EU-level reporting in particular relating to measures for financial and technical support and climate change adaptation. The report should explain why the imposition of new reporting requirements on Member States does not give rise to additional burdens of data collection and reporting to national authorities by industry and provide a better assessment of the impact of the proposed measures on relevant industrial sectors including SMEs and on individual Member States. Finally, the report should better integrate different stakeholders' views throughout the text. In its written exchange with the Board DG CLIMA accepted to revise the report in line with the recommendations of this opinion.**

### **(C) Main recommendations for improvements**

**(1) Further develop the problem definition.** The report should describe the current monitoring arrangements in plain language as well as the national and international developments which are driving the need for change. This should include summarising the legislative developments that have changed the requirements for monitoring, the UN requirements as well as the general policy developments. This section should fully describe the gaps in the current system and the scope of the proposed measures. The report should also describe clearly in non-technical language the differences and overlaps between EU and international reporting requirements. Furthermore the report should provide more information on the current extent of non-compliance for a number of Member States and should explain how such non-compliance is likely to be corrected under a more demanding regime of reporting.

**(2) Better explain the objectives and the EU added-value.** The report should clarify the general objectives in terms of whether the aim is to develop an EU monitoring framework that simply meets international and domestic requirements or whether the intention is to go beyond minimal international requirements to develop a state of the art system which establishes EU leadership in this field. In terms of EU added-value the report should provide a more developed explanation for the need for new measures (e.g. monitoring of maritime emissions) and for those areas where enhanced reporting is proposed at EU level (e.g. financial and technology support and additional reporting requirements on climate change adaption).

**(3) Improve the assessment of impacts, particularly on administrative costs.** The report should address the impact on industry and particularly SMEs by better explaining why the imposition of new reporting requirements on Member States does not give rise to additional costs and burdens of data collection and reporting to national authorities by industry, in particular for sectors where new reporting requirement may arise such as in the aviation and maritime sectors. The report should provide a brief description of the methodology used for assessing administrative burden/costs and should provide an assessment of the impacts on Member States, or categories of Member States, where there are significant differences between them, for example, where issues of non-compliance have arisen in relation to the current reporting requirements. The report should provide an assessment of the cumulative impact on administrative burden/costs for the selected options. In general, in light of the pending changes in the international requirements and the practices in other major trading partners, the report should better assess the proportionality of all shortlisted options, in particular given the levels of additional administrative costs involved.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.*

### **(D) Procedure and presentation**

The different positions of the stakeholders need to be recalled throughout the report, not only in the summary section.

### **(E) IAB scrutiny process**

Reference number	2011/CLIMA/006
External expertise used	No
Date of Board Meeting	Written procedure