

EU regulation on accreditation

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12 April 2016



This Project is funded by the European Union



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The value of accreditation and verification

- ETS deals with commitments, requirements and obligations for various parties. This brings responsibilities, but also risks.
- These risks concern administrative, organisational and reputational risks, and when the ETS comprises penalties and/or trading, also financial risks
- Hence, trust and credibility are a crucial element in the success of an ETS
- A solid MRV system is the backbone to ensure this
- In addition to a solid monitoring system, proper accreditation and verification is therefore crucial:
 - Emission reports must be verified by an independent, impartial and competent verifier
 - Verifiers need to be accredited by a National Accreditation Body in order to assure the independence, impartiality and competence of verifiers



The value of high quality A&V

- Good quality verification not only ensures trust and credibility, but also:
 - Supports operators in improving their accounting management system and identifying the most efficient path to compliance
 - Supports the competent authority - by checking monitoring plans, associated documents; and emissions reports in sufficient detail. Verifiers can 'sign them off' as compliant and the CA can use that to support their own evaluations
- Good quality verification can only be ensured by good quality accreditation
- Good quality accreditation can only be ensured when also the NAB has the right competence
 - This comprises competence on accounting processes, data, documentation and auditing
 - But also technical competence, to be able to check the quality of work from the verifier!



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The main legislative framework

- The EU Emissions Trading Directive 2003/87/EC
 - Primary legislation - defines the rules of the EU ETS
- Accreditation and Verification Regulation No. 600/2012
 - Secondary legislation, specific to the EU ETS – defines the rules for Accreditation and Verification in the scope of the EU ETS
- Requirements for accreditation (and market surveillance) Regulation No 765/2008
 - Is the overall legal framework for accreditation and market surveillance on the European market

This is supported by EC Guidance, templates and exemplars, which is (a.o.) based on ISO 14065, ISO 14066, ISO 17011 and EA6/03



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Requirements for accreditation (765/2008)

- First European regulation to provide a legal framework for European accreditation policy. Valid from 1 January 2010.
- Lays down clear rules on organisation and operation of accreditation
- Aims to ensure conformity and harmonisation with applicable requirements across all EU Member States
- And to guarantee a high quality and consistent surveillance, for the protection of public interests
- Accreditation is characterised by:
 - 1 accreditation body per Member State
 - No competition between accreditation bodies and conformity assessment bodies
 - Accreditation is carried out by a public authority
 - Accreditation bodies operate on a not-for-profit basis and comply with the principles of impartiality and objectivity
 - The European co-operation for Accreditation (EA) manages the peer assessment to monitor the national accreditation bodies. This should facilitate the mutual acceptance of conformity certificates throughout the EU (and ROW)




Accreditation & Verification Regulation (600/2012)

- Lays down provisions for the verification of EU ETS reports and the accreditation and supervision of verifiers.
- Requires verifiers to be accredited by National Accreditation Body (NAB)
- Defines 15 scopes of accreditation, i.e. types of operator's activities in which the verifier may carry out verification
- Requires that the NAB assesses during initial accreditation and monitoring of verifiers whether:
 - the verifier has the competence to carry out verification
 - the verifier is performing verification in line with the AVR
 - the verifier meets the requirements in the AVR



EC Guidance material on accreditation

- The EC has published a suite of guidance material on its website:
http://ec.europa.eu/clima/policies/ets/monitoring/documentation_en.htm
 - The most relevant guidance for accreditation includes:
 - **KGN II.8 on the relation between the AVR and ISO 14065**. The ISO 14065 standard is applicable to EU ETS verifiers and must be used by NABs to assess verifiers.
 - **KGN II.9 on the relation between the AVR and ISO 17011**. The ISO 17011 standard provides general requirements for NABs assessing and accrediting verifiers. These requirements concern the accreditation process as well as the structure of the NAB, impartiality and competence of a NAB, management and internal controls, procedures, subcontracting, appeals and complaints.
 - **KGN II.10**, providing explanation on the **Information exchange templates** developed to support the exchange of information between verifiers, CA and NABs
 - **KGN II.11**, explaining the requirements on **certification of individual verifiers** in the AVR
-  Note though that using individual verifiers may be a risk, as quality control is less 'embedded'. Germany has used the route of individual verifiers in the past, but the last one seems to have stopped its activities.



Accreditation of the verifier

- The accreditation process and monitoring of verifiers is carried out in line with EU ETS specific requirements in the **AVR and ISO 17011**
- Once accreditation is granted, the **accreditation certificate is valid for a maximum of 5 years**. Verifiers are monitored through annual surveillance by the NAB and reassessment before expiry of certificate
- If the NAB detects that verifier is not complying with the AVR, it can impose **administrative measures** (see following slide for details)
- The AVR imposes **EU ETS specific requirements on the NAB**, including reference to ISO 17011 requirements: e.g. competence, impartiality
- The NAB must undergo **regular peer evaluation** organised by the European Cooperation for Accreditation to ensure it continues to meet the AVR
- There should be **mutual recognition** of verifiers (among EU ETS NABs)



Administrative measures

- The NAB may suspend, withdraw or reduce a verifier's scope of accreditation where the verifier does not meet the AVR requirements
- The NAB shall **suspend** an accreditation or **restrict the scope** where:
 - the verifier has committed a serious breach of the AVR requirements
 - the verifier has persistently and repeatedly failed to meet the AVR requirements
 - the verifier has breached other specific terms and conditions of the NAB
- The NAB shall **withdraw** the accreditation where:
 - the verifier has failed to remedy the grounds for a decision to suspend the accreditation certificate
 - a member of the top management of the verifier has been found guilty of fraud
 - the verifier has intentionally provided false information



Surveillance

- The NAB should carry out an **annual surveillance** of **each verifier it has accredited**. This shall at least comprise of a visit to the verifier's premises to:
 - review a representative sample of the internal verification documentation and to assess the quality management system and the verification procedures
 - witnessing the verifier's performance and competence (of a representative number of staff, for a representative part of the requested scope)
- The NAB shall carry out the first surveillance no later than 12 months after issuing the accreditation certificate
- The NAB shall prepare a surveillance plan in line with regulation 765/2008
- Based on the results of the surveillance the NAB shall decide whether to confirm the continuation of accreditation

