
Environment and Climate Regional Accession Network (ECRAN)

Report on the Workshop on Formulating a Roadmap to Implement an Emission Trading System

18-19 May 2016, Zagreb

ENVIRONMENTAL AND CLIMA REGIONAL NETWORK FOR ACCESSION - ECRAN

WORKSHOP REPORT

Activity 3.3.3 A

Workshop on Formulating a Roadmap to Implement an Emission Trading System

18-19 May 2016, Zagreb, Croatia



This Project is funded by the
European Union



A project implemented by
Human Dynamics Consortium

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I. Background/Rationale

The European Commission actively supports climate cooperation in the region of the Western Balkans and Turkey through the Environment and Climate Regional Accession Network (ECRAN). The Emissions Trading Working Group of ECRAN aims to provide the essential regulatory building blocks and to increase the technical capacity for a well-functioning future national or regional ETS system, which could be or is modelled in line with the EU ETS. This would pave the way for further cooperation and linking with the EU ETS.

The following results are expected for this Working Group:

- To improve technical understanding of the EU ETS implementing provisions in relation to monitoring, reporting, verification and accreditation (MRVA) in the beneficiary countries, among the target group of industry and aircraft operators, as well as the Competent Authorities and potential verifiers;
- To identify institutional, legal and procedural arrangements for a future national or regional ETS system, which could be modelled in line with the EU ETS.

Background to the Monitoring and Reporting Regulation

Successful implementation of an emissions trading system among others involves the implementation of a system for the monitoring and reporting of greenhouse gas emissions, and for the verification of annual emission reports. Such Monitoring, Reporting and Verification (MRV) systems form the backbone of any ETS system.

The Monitoring and Reporting Regulation (MRR) establishes the requirements for the monitoring and reporting of greenhouse gas emissions by installations in the EU ETS. These requirements are effective as from 1 January 2013, from the start of the third trading period. The MRR requirements are designed to ensure regular and precise monitoring and reporting of greenhouse gas emissions in the participating countries (i.e. the EU Member States and countries in the EEA). The annual procedure of ensuring the proper monitoring, reporting and verification (MRV) of the emissions, as well as all processes connected to these activities, are known as the “compliance cycle” of the EU ETS.

The ECRAN Emissions Trading Working Group 3 aims to support the EU candidate countries and potential candidates in the implementation of the EU ETS. One of its key activities is a regional training programme on the EU Monitoring and Reporting, and Accreditation and Verification Regulations (MRR and AVR). This regional training programme will support operators of industrial installations, aircraft operators, authorities and verifiers on the basis of guidance and templates that have been developed by the European Commission.



II. Objectives of the training

Objectives of the Workshop

This workshop aimed to support the beneficiary states in their implementation of emissions trading by helping to further develop their action plan for implementation. Building on the wealth of experience that EU Member States have gained in their own implementation of the EU ETS, the training will help to identify the steps required towards implementation, the capacity needs, and the required involvement of various stakeholders. Main focus will be on priority setting of actions and preparing to organise support for uptake of specific actions. The workshop specifically aimed to:

- Support and speed up the preparation for and implementation of emissions trading in the candidate countries
- Strengthen the understanding of the steps required for implementation of a national or regional emissions trading system in the beneficiary countries modelled along the EU ETS.
- Formulate priorities and implementation requirements for the national and regional implementation roadmaps, including aspects of timing, resource planning, planning of legislative procedures, and planning of capacity building activities.
- Prepare organization of support for the uptake of specific actions, such as identification of IPA projects, government-to-government support missions, or future ECRAN training missions.

Results/outputs

The participants will acquire:

- Improved understanding of the needs for implementation of ETS in their country and the steps to be taken towards implementation
- Improved understanding on which stakeholders to involve in various steps of implementation of ETS, their roles and responsibilities
- Better understanding of the required resources for the implementation of specific elements of an ETS system in conformity with the EU ETS requirements.
- Tips and tools to support efficient implementation and support priority setting in implementation.

Participants

This advanced training was mainly directed towards the future competent authorities in the beneficiary countries. The larger part of the training was conducted in break-out groups, facilitated by the indicated trainers/speakers.



III. EU policy and legislation covered by the training

The following EU legislation is covered by the training:

- Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community
- Commission Regulation 601/2012 on the monitoring and reporting of greenhouse gas emissions
- Commission Regulation 600/2012 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers



IV. Highlights from the training workshop

Reference is made to Annex III for the presentations. Hereunder a summary is presented of the proceedings of the workshop.

Day 1. May 18th, 2016.

Opening word by Ms Višnja Grgasović

Ms Grgasović welcomes the participants to Croatia and wishes them all an interesting workshop with lots of knowledge exchange. She mentions Croatia has learned many lessons from their implementation and operation of the EU ETS and that the team welcomes the opportunity to share these lessons with international colleagues. She emphasises that although it may seem far away in the future it is important to think at an early stage already about what to do with the revenues from the ETS? In the past in Croatia the revenues from the CO₂ tax were also spend on other purposes than environmental protection, which received complaints from the sectors. Learning from that Croatia is now collecting 95% of the revenues from the ETS in a special fund, which is dedicated to environmental protection. 5% of the revenues is going to the state budget. Croatia uses the funds also to support the capacity building for Ministry staff, for example funding dedicated studies or to travel to Brussels for ETS meetings and meeting with peers. This provides the Ministry with the necessary flexibility to continue to learn and therewith continuously improve the implementation of ETS. She recommends all ETS implementing countries to include a clause on revenue spending in their legislation.

Round of introductions

In the round of introductions all participants introduced themselves and explained the current status of ETS implementation in their country.

- Albania has not yet started implementing ETS; they are working on implementation of the overall climate strategy
- Kosovo*¹ has also not yet started implementing ETS, but these workshops help to understand decision making on implementation direction.
- Montenegro is now developing the team to start formulation of ETS legislation. The strategy is to implement the ETS by the end of 2019.
- Serbia is currently implementing ETS and is happy to have the opportunity to share their lessons learned
- Bosnia and Herzegovina has started discussing about ETS implementation and are considering the organisational structure for ETS
- Turkey is currently implementing an M&R system that forms the basis for a potential future ETS. Implementation of ETS has not yet been decided upon.
- The former Yugoslav Republic of Macedonia has prepared a GHG inventory, future projections and the INDC, and is aiming at implementation of ETS in 2021

¹ *This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ opinion on the Kosovo declaration of independence.



Monique Voogt: The role and ambitions of the roadmaps and the EU regulatory architecture

Monique Voogt presents the ambitions of the workshop and further introduces the international speakers and trainers. In a short intermezzo she gives an overview of the concept of ETS and the main elements in the system. Next, she explains the role and ambitions of the roadmaps for ETS implementation. The participating countries are all in a different stage of ETS implementation, but in each stage it may be very useful to have a structured overview of the implementation steps to follow, with a clear identification of responsible parties, the timeframe and the challenges and opportunities. Monique presents a possible roadmap format, identifying the main elements to be included.

Monique continues her presentation by providing an overview of the EU ETS regulatory framework, identifying the overall Directive and the various implementing regulations.

Nives Nared: lessons learned from implementation of ETS in Slovenia

Ms. Nives Nared from the Ministry of Agriculture and the Environment in Slovenia presents Slovenia's step-wise implementation experiences in implementing the EU ETS. Following its EU accession in May 2014, Slovenia only had a 6-month period to implement the EU ETS. There was no prior experience and no view on what exactly the system would look like. Given that it's a trading system, mainly economists were set to the task, supported by legal specialists. Only in the course of the implementation it became clear that much more technical expertise was required. Moreover, the team was relatively small, whereas the number of decisions and actions was large and broad. This small team however also had its benefits as they knew all element of the system as well as all parties working on the system (operators and other implementing parties).

Slovenia decided to take the implementation step-by-step and to actively involve the industry in various workshops.

- 1) adopting the legislation
- 2) identifying the ETS-installations
- 3) setting up the registry system
- 4) allocation of allowances
- 5) auctioning of allowances
- 6) Accreditation of verifiers
- 7) inspections
- 8) sanctions
- 9) the Article 21 reporting to the EC

The main lessons learned from Slovenia's EU ETS implementation are:

- ETS is complex, sufficient time is needed for preparation
- The industry should be invited as soon as possible, since they need quite some time for the implementation
- Significant time is needed for approval processes to be conducted by the Competent Authority

It is good to follow a learning-by-doing process. Implementation can be improved by active communication between the CA, NAB and operator, and by the verifiers and the inspectorate.

Questions were asked on the number of installations and on the auctioning revenues. Slovenia started ETS with 100 installations. Since then 10 shut down their business activities and others were excluded



as a result of the small installation rule. Currently Slovenia has around 72 installations in the EU ETS. All revenues from auctioning are gathered in earmarked fund within the state budget. This is a rule that is included in the legislation from the start. The law includes a provision that the government adopts a program each year on how the money is spent. The majority of that money goes to energy efficiency, via the environmental protection fund.

Melita Zdilar: lessons learned from implementation of ETS in Croatia

Melita Zdilar from the Croatian Ministry of Environmental and Nature Protection presents the organisational framework and the timeframe of ETS implementation in Croatia. Croatia had a very short timeframe for ETS implementation but had extensive support from various projects, including the EC cards project, a Government to Government project with the Kingdom of the Netherlands and from TAIEX and ECRAN. In addition to the Ministry, the Croatian Agency for the Environment and Nature (CAEN) and the Environmental Protection and Energy Efficiency Fund play an important role. The Ministry is responsible for all regulation and policy parts (including the permitting, the allocation process and the verification); while CAEN (or the EPA) is responsible for the technical part of implementation. The environmental protection and energy efficiency fund is responsible for the auctioning part.

As in the previous presentation Melita presents Croatia's implementation choices for each of the steps of implementation of the EU ETS in their country. Similar to Slovenia, Croatia also has a very small team for implementation. In the meantime this team was increased from 4 (2 in Ministry, 2 in EPA) to 6 persons (3 in Ministry, 3 in EPA). Currently Croatia has 53 ETS installations, but early 2013 there were 59 installations.

Melita mentions that accreditation was one of the most complicated elements to implement in Croatia. There was no framework for organising exams for verifiers in Croatia and looking back it was not a good decision to follow the road that the Ministry would take this up. In later years Croatia learned that very few of the verifiers were up to the level of being accredited. She recommends to implement accreditation from the start and not have an interim situation with the Ministry checking on the quality of verifiers. For the Ministry it is also very important to have a system on inspection and enforcement, with fines that are at a considerable high level. This really helps to emphasise the importance of compliance to operators.

A question was raised why there was a change in collecting the revenues from the funds. Melita explains that both for the auctioning revenues as well as for the revenues from fines there is an obligation implemented on the spending of the revenues, being that it needs to be spend on reducing emissions. Most of the funds currently are used to support energy efficiency in households. In a later stage this could be broadened to other parts of the economy.

A question was raised whether money is also spent on training of operators. Melita explains that this is included in the Ministry plan for capacity building. Some of the money is spend on communication if issues are identified or when new or updated rules are implemented. For example: some studies are done for installations and some money is used to inform operators.



Alex Pijnenburg adds that in the Netherlands the revenues are going to the state budget. The Directive does not require that it is spend on climate change, it says 'it should be spend', which is a recommendation, not an obligation.

Dragana Radulovic: lessons learned from implementation of ETS in Serbia

Dragana Radulovic from the Serbian Ministry of Agriculture and Environmental Protection presents the lessons learned in their ongoing implementation of ETS by presenting the Twinning project that was operated from September 2013-September 2015 and that was funded by the IPA programme. The project initially focused on the creation of a monitoring, reporting and verification system but in later stage was amended to cover the full implementation of the EU ETS. Dragana presents the key project phases and activities and explains that all required laws and by-laws are ready for adoption, and that large emphasis was put on capacity building. During the period to define the laws 8 legal and technical missions were organised. In the period thereafter another 15 missions were organised. This capacity building focused both on the public authorities and on the operators. For the latter regional workshops were held as well as sectoral trainings and bilateral meetings.

Next to the drafting of the legislation the work focused on implementing a system for monitoring and reporting of GHG emissions. Operators were requested to voluntary submit their monitoring plan, so the Ministry could check that and discuss improvements with the operator. It was quite a challenge to get the operators to voluntarily participate, but the Ministry keeps pointing out the opportunities for operators to learn and prepare before the system starts being a full ETS (so with trading) and before joining the EU ETS system. Full implementation of the M&R system is expected to start by 2017. Dragana continues the presentation by explaining the institutional set-up that was agreed and approved.

Main lessons learned in Serbia include:

- Adequate training and preparation of the operators for the forthcoming obligations is essential for the successful implementation of the MRV system
- The expert missions from various EU Member States are seen as a real added value
- Drafting of laws and by-laws could have started earlier
- Political commitment is key, but the process of the project should not be over dependant of political decision (e.g. inclusion of aviation or approval of the law)

The main recommendations for further work on implementing ETS in Serbia are:

- Serbia should have a clear general legal framework for the implementation of the EU acquis
- Team dealing with the EU ETS in the Ministry and in SEPA should be reinforced
- A climate strategy in Serbia should be established as soon as possible, especially to define adequate transitional measures – expected to start in 2016, financed through IPA

Dragana emphasises that the international support provided in this IPA project, and in the follow-up activities organised by TAIEX and ECRAN were instrumental to the implementation of ETS in Serbia. Serbia is not done yet with the implementation, but well on its way and very willing to further learn from exchanges with other countries and sharing its own lessons learned.

After the lunch break Monique Voogt introduced the 3 working sessions that would be held in this training. Each round would have a short introduction, followed by 45 minutes working session in



national teams, each supported by one of the international experts. After the working sessions each team was asked to present its main conclusions on flipcharts, followed by plenary discussion and conclusions. The three working sessions focused on:

1. Identifying required implementation steps (roles and responsibilities, identification of installations and permitting)
2. Priority setting of identified steps (Where to start and how to implement one selected priority)
3. Addressing the challenges of limited staffing capacity

Participant team from:	Expert guidance by:
Albania and Kosovo*	Imre Csikós (all sessions) and Alex Pijenburg (sessions #1 and #2)
Bosnia and Herzegovina	Damien Laurent
The former Yugoslav Republic of Macedonia	Melita Zdilar
Montenegro	Nives Nared
Serbia	Supporting other countries in #1/#2; 1-1 discussion with Alex Pijenburg in #3
Turkey	Monique Voogt

Working session #1: Identifying required ETS implementation steps

Imre Csikós provided a brief introduction to the working session, requesting each team to discuss the country specific identification of already chosen or possible implementation steps, and to identify the government installations, stakeholders involved in the implementation and their roles in implementation.

Results from this and the following working sessions are included in the blue boxes in this report. It should be noted that the working sessions are meant to support implementation of ETS along a free brainstorming format and although conducted with great effort and care, should not be seen as a final conclusion on any of the implementation steps towards a national ETS. After each presentation the country-specific choices were discussed with the entire group.



Results working session #1

Albania and Kosovo* worked together and identified the following main issues:

Permitting	Carbon leakage
Allocation	Capacity building for developing countries
MRV	Public awareness/access to information
Registry	Administrative arrangements
Installations/operators	Reporting
Auctioning	Revenues (where should they go?)
Penalties	Exclusion of small installations
Confidentiality of information	List of GHG emissions

As for the main implementation steps Albania and Kosovo* identified:

- Define the proper administrative structure
- Define the installations
- Legal work/framework
- Set up the MRV system
- Capacity building of operators
- Action plan/roadmap and communication plan
- Templates/electronic
- Trainings

Montenegro has formulated a climate change action plan. Based on that and current thinking on EU Accession the following schedule is identified for ETS implementation.

	2016	2017	2018
Institutional setup	X		
List of installations	X		
Training for operators- /verifiers/inspection	X	X	
Drafting Legislation	X	X	X
MP preparation		X	
MP verification		X	
GHG permits issuing			After joining EU
Registry			X
Inspection			After joining EU

Bosnia and Herzegovina identified the following implementation steps:

- Permitting
- Allocation
- Registry system
- Monitoring & Reporting
- Verification & Accreditation
- Penalties
- Definition of competent authorities



Results working session #1 (continued)

Proposed implementation steps for **Bosnia and Herzegovina**:

- Define the responsibilities (already proposed; waiting for approval)
- Identification of installations (for the federation of Bosnia and Herzegovina this is done; for the Republika Srpska this is in progress; for the Brcko District it is unknown)
- Implementation of M&R and A&V, from the basis of the European regulations
- Define who will run the registry (at which level)
- Set up accreditation system for ETS

Turkey's starting points on the possible ETS implementation are:

- a) Turkey aims for having either an ETS or carbon tax (or a combination of those) to address GHG emissions
- b) MRVS is already being implemented as a starting basis for all sectors in the economy

The main elements identified are:

Legislation	Auctioning
MRV	Penalties
Allocation	Competent Authority
Data collection	Registry
Emission scenarios	Capacity building
Permitting	Trading

The main implementation steps/choices are:

- Main responsible body is the ministry of Environment
- If financial aspects are involved than the Ministry of Finance has a leading role
- If data or other specific sector info is involved than the Ministries responsible for each of the sectors take a leading role, in cooperation with and under guidance of Turkstat.

The former Yugoslav Republic of Macedonia already has some starting points in place, based on capacity building activities with Bulgaria and Norway.

1. Where to find the info? Answer is at the DG CLIMA website
2. Main elements:
 - Competent authority, with main implementing body the Ministry, supported by the agency and the interministerial body (this info is from the roadmap that was developed for internal purposes. Note that there is yet no formal decision on the legal implementation)
 - Identification of installations
 - Permitting
 - Registry
 - MRVA
 - Allocation
 - Auctioning
3. Draft regulation in place + the roadmap for implementation
4. Preliminary list of installations according to annex 1 of the ETS Directive is in place (but compiled two years ago so needs some updating)
5. Institutional work (with a timeframe of 2-3 years)
 - a) After setting up CA: adopting legislation, finalising list of installations, MP and permitting, MRVA
 - b) Once an EU member: registry, allocation, auctioning

The current structure assumes EU member in 2020, so then perhaps the current timing (CA by 2021) will be revised.



Day 2. May 19th, 2016.

Alex Pijnenburg: Peer-to-peer support Netherlands - Croatia

In the Netherlands all activities for the ETS are under one roof: the NEa. The NEa is an independent agency; the political influence is minimalised. In the Netherlands there are 450 installations and 17 aircraft operators. As a ballpark figure NEa has 1 staff member for each 20 installations. The NEa spends a lot of time in communicating the rules to the operators. They also operate an active helpdesk to support operators in all their questions during the compliance year.

The NEa supported the Croatian team in a government-to-government project from 2008 (so already 5 years ahead of Croatia's start in the EU ETS). The project focused on MRV and phase 3 allocation. The working approach was to have many in-country visits, a training of the Ministry and EPA and many workshops for industry and verifiers. After the project ended this continued in several TAIEX missions. Both the Croatian and the Dutch teams highly appreciated the project.

The key learning points from the project included:

- The in country visits were highly appreciated. But solid preparation is key.
- Time needs to be taken to understand and agree on the need for support.
- Timeframes should be realistic
- "Information overload" should be avoided; a step by step approach with proper timing is recommended
- Focus not only on workshops with theory, but include practical training such as jointly working on real installations, discussing complex cases and using a direct line helpdesk to experienced colleagues
- Make use of support-possibilities where possible; the time investment in applications will pay back
- Support projects are also beneficial for visiting "experts"
- Do not expect to be 100% perfect in the beginning; mistakes were made and are being made in each member state.

Working session #2: priority setting of identified steps

Monique Voogt provided a brief introduction to the working session, requesting each team to select one implementation aspect of its future ETS system and work on this in further detail to identify:

1. Formulate the objective, milestones and main points of action
2. Define who needs to be involved, roles and responsibilities
3. Sketch the timeframe of implementation
4. Identify the main challenges and opportunities
5. Identify the potential support needed and what support could be sought internationally

A reporting format (what-who-when) was provided to support the teams to present their results



Results working session #2

Albania

What	When
Legal framework for MRAV regulation	2018
Set up the competent authority (MoE) – for approx.. 20 installations that will require 2 FTE	2019
Templates and guidances for operators	2020
Accreditation and regulation body for verifiers	2020
Set up enforcement body (2 inspectors)	2021

Bosnia and Herzegovina

What	who	When
Implementation of roadmap	Council of Ministry/State level	2016/17
Plans for implementation of strategy/define institutions/ transposition of directive	Entity level: Ministries and institutions	2017?
Education of CA	Entity level, international experts	2017/18
Define methodology for MR	Entity	2017/18
Define IT system for reporting and support and format for reporting	Entity	2017/18
Education of operators	CA and international experts	2018/19

Kosovo*

- General objectives are 1) CO2 reduction and 2) EU Accession
- Specific objective is the adoption of the legislation (overall climate change framework legislation by 2019)
- Competent Authority: MESP
- Other stakeholders: MED (energy, energy efficiency, renewable energy), MTI, MF, KSA, Chamber of Commerce, NGO, industry association

Specific measures for 1) include:

- organisation of workshops (information on the ETS and to establish a working group for ETS)
- preparation of the project for the ETS implementation (EU), by mid 2017
- Application for TAIEX expert support for the preparation of the framework law (end 2017)
- Identification of the final list of installations and set up the database of installations (KEPA)

Specific measures for 2) include:

- Project start by 2019
- Formulation of a roadmap



Results working session #2 (continued)

Montenegro already has formulated its climate change approximation strategy and a roadmap towards implementation of the ETS. They recently had a public consultation and soon the evaluation of the results of that will start. The implementation plan is planned to be completed by 2018.

What	who	When
Capacity building	Ministry	June 2016 to 2018
- MRV	EPA	2018
- -permitting	operators	2018
- Allocation preparation		
Start to draft and discuss climate law	Ministry and other institutions	TAIEX assistance already requested for 2016-2018

The former Yugoslav Republic of Macedonia focused on the MRVA part
 In the tables below x=the year of EU Accession

1) Monitoring + accreditation

What	who	When	Possible funding
Education & training of CA	CA, MS experts, National academic sector	X-2	TAIEX, bilateral, CA, IPA
Education & training of operators	Operators, CA, MS experts, national academic sector	X-2	TAIEX, bilateral, IPA
“Learning by doing phase”	CA, operators, MS experts	X-1	National budget, TAIEX
- MP			
- Permitting			
Monitoring	Operators	X, X+1	Operators
Evaluation of accreditation body (ISO 14065)	NAB, EA, CA	X-1	National budget, NAB
Accreditation of verification bodies	NAB, VB	X, X+1	VB

2) reporting

What	who	When	Possible funding
Education of CA	CA, MS experts	X	TAIEX, bilateral, IPA
Education of operators	Operators, CA, MS experts, academic sector	X	TAIEX, bilateral, IPA
Annual emission report (AER) + verification reports	Operator, VB	X+1	Operator



Results working session #2 (continued)

Turkey focused on the priority topic organisation

Stakeholders involved: Ministry of Environment (responsible), Ministry of Energy, Ministry of Transport, Ministry of Finance, Ministry of Industry

Priority activities:

- 1 Legislation: Transposition of EU legislation to Turkish legislation. This will not be copy-paste as the Turkish economic-social-industrial and energy situation is different than in the EU
- 2 Emission scenarios. This is very important for the ETS system (allocation). The Turkish economy is emerging, which affects emissions. There are many (lignite fired) power plants.
- 3 Capacity building and education of staff expert is very important. In responsible Ministries there must be sufficient staff. Training for private sector experts for data collection and MRV
- 4 MRV. We cannot control if we can't measure!
- 5 Trade

WHAT	WHO	WHEN
1 Legislation	Ministry of Environment	2020?
2 Emission scenarios	Responsible Ministries	?
3 Capacity building	Ministry of Environment and responsible ministries	2020
4 MRV	Ministry of Environment	Completed
5 Trade	Ministry of Finance + stock market	?

Working session #3 Addressing the challenges of limited staffing capacity and preparing for support

Imre Csikós provided a brief introduction to working session #3, requesting each team to prepare the heart of a project proposal/fiche for setting up the work on a selected ETS element, including defining the wider objective, the immediate objective, the results and the activities required. He points out that with this information the larger part of the work for a fiche is completed. Imre provides an example on the topic of MRV.



Results working session #3

Albania and Kosovo*

Wider objective: Country ready at establishing the ETS system at the date of accession

Specific objective: Capacity to allow recurring monitoring, reporting and verification on GHGs emissions in the next 3 years

Results:

1. legal framework
2. Institutional framework
3. Increase political willingness
4. Increase awareness

Activities:

1.1 Regulatory impact assessment/concept note	2.1 Assessment of existing institutions
1.2 Approval of the Concept note	2.2 Options document
1.3 Drafting the law/regulation on MRV	2.3 Consultation of options
1.4 Development of templates	2.4 Selection of the best options
1.5 Public consultation	2.5 Approval of institutional framework
1.6 Adoption	2.6 Implementation paper (human resource assessment, job descriptions)
Total timeframe of 2 months	Total timeframe of 2 years.
3.1 High level conference	
3.2 Technical expert group dedicated to MRV (under IMWGCH)	
3.3 Training for the operators (technical) for MP and reports	
3.4 Assessment plan for the training	

Bosnia and Herzegovina

Objective: MRV system in place

Results:

- legal framework – legislation and formats
- define responsible institutions
- Educated group of experts
- Educated functional accreditation body
- Educated operators
- Guidance

Activities

For educated operators:

- Identify operators
- Introduce them with general ETS
- Introduce them with obligations
- Educate about methodology
- Practical sessions to MP format
- Test MP to CA
- Test reporting
- Introduction of role of verifier

For responsible institutions:

- Make of list of relevant institutions
- Proposal of couple different choice to government
- Selection of most appropriate institution



Results working session #3 (continued)

Montenegro

Wider objective: Fulfil the requirements for EU Accession

Specific objective: Capacity building for MRV, for institutions (incl inspection) and for operators

Results:

WHAT	HOW MUCH	WHEN
Workshops /study-visits for operators (on MP preparation and MR preparation)	1 workshop + 1 study visit 1 workshop + 1 study visit	2017 2018
Workshops /study-visits/bilateral meetings for institutions (on drafting legislation, permitting, MP approval NR validation and inspections/enforcement)	2 workshop + study visits 2 workshop + study visit	2017 2018

Outputs:

- Legal framework drafted
- Institutional framework set up; trained on MRV and prepared to issue permits
- Operators trained on MRV
- Inspectors trained

The former Yugoslav Republic of Macedonia

Long-term objective: compliance with the ETS



Impact: Macedonia not ready for accession



MAIN PROBLEM: NO MRVA



Immediate objective: to establish MRVA

Causes	Targeted Results	Activities
No institutional setting	R1: institutional setting established	A1: Functional analysis of the institutions A2: selection of the best option A3: Governmental designation by law
No legal framework	R2: legal framework adopted	A1: Mapping & needs assessment A2: drafting the legislation A3: public consultation A4: adoption
Inadequate capacities	R3: capacity built	A1: Needs assessment A2: developing a strategy for capacity building A3: implementation of capacity building strategy
Inadequate attitudes	R4: attitudes improved	A1: developing a strategy/action plan for AR A2: implementation of AR strategy



Results working session #3 (continued)

Turkey

Wider objective: Implement ETS in a way that is in line with wider economic and sector objectives.

Specific objective: design the ETS structure in such a way that it is in line with the energy sector policy

Results:

- Legislation adopted
- ETS stock market established
- Targets set and accepted by the relevant Ministries
- Energy sector fully informed, increasing the share of renewable energy and energy efficiency, and reducing CO2 emissions from the energy sector

Activities

- Coordination between the Ministry of Environment and Urbanisation and the Ministry of Energy
 - Define the responsibilities of the Ministries
 - Define penalties (involve the Ministry of Finance)
 - Target setting (involve Turkstat for the historical data and calculate emission data from the existing energy scenarios)
 - Set up the trading system
 - Formulate the legislation
- Involve the private sector
 - Organise workshops
 - Organise information meetings

Summary and lessons learned

The main lessons learned for the participants included:

- **Albania:** Realisation that much preparatory work is necessary in the next years and that waiting for implementation steps until the accession date is known is risky. Conclude they need to start with MRAV as a first step.
- **The former Yugoslav Republic of Macedonia:** The workshop helped to structure already fragmented knowledge. It was real capacity building in that sense. Partnerships between science/academia and public sector is necessary.
- **Croatia:** logframe exercise to put elements of the ETS implementation elements in perspective was interesting
- **Montenegro:** Good to have these type of practical workshops with real work. Suggestions for first steps institutions will be facing were very useful.
- **Turkey:** Was a good experience for the Turkish team to understand the concept of ETS and how to structure your mind when developing road map and to think in concepts.
- **Kosovo*:** For them overall useful. More help is needed to support first the formulation and implementation of an overall climate strategy and then ETS implementation.
- **Bosnia and Herzegovina:** Learned a lot from Belgian experiences, because of similar administrative structures. To create strategies first and then legislation is a good approach that they learned.
- **Serbia:** Appreciated to have the opportunity to share their lessons learned and to confirm that Serbia has used a similar approach in the twinning project. Serbia repeats that they are happy to



share their lessons learned from being a few steps ahead in ETS implementation, but also that they realise that they still have much to learn.



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V. Evaluation

Reference is made to Annex IV for the detailed evaluation.

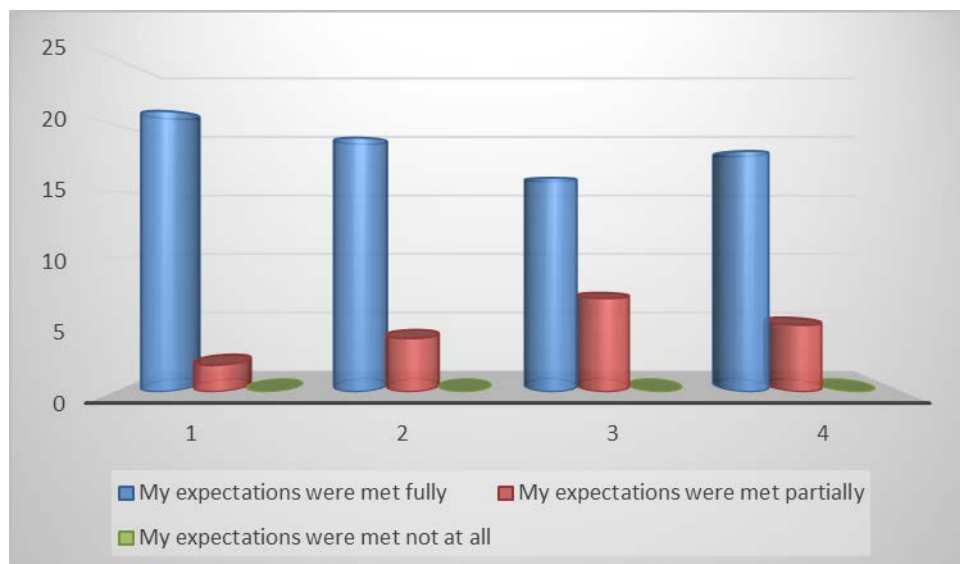
In the evaluation of the workshop **well over 80%** of participants indicated that their **expectations were fully met** in the areas of improved understanding of the needs for implementation of ETS in their country and the steps to be taken towards implementation, as well as improved understanding on which stakeholders to involve in various steps of implementation of ETS, their roles and responsibilities.

70% of the participants indicated that they have gained a better understanding of the required resources for the implementation of specific elements of an ETS system in conformity with the EU ETS requirements.

Over 90% of the evaluation scores regarding the quality aspects of the workshop such as achieved objectives, overall quality, practical work, presentations, facilitators, obtained the marks 'excellent') to 'good'. The aspect on logistical arrangements had a significantly lower score than the other aspects. All (**100%**) of all participants indicated that they found the workshop 'time well spent'.

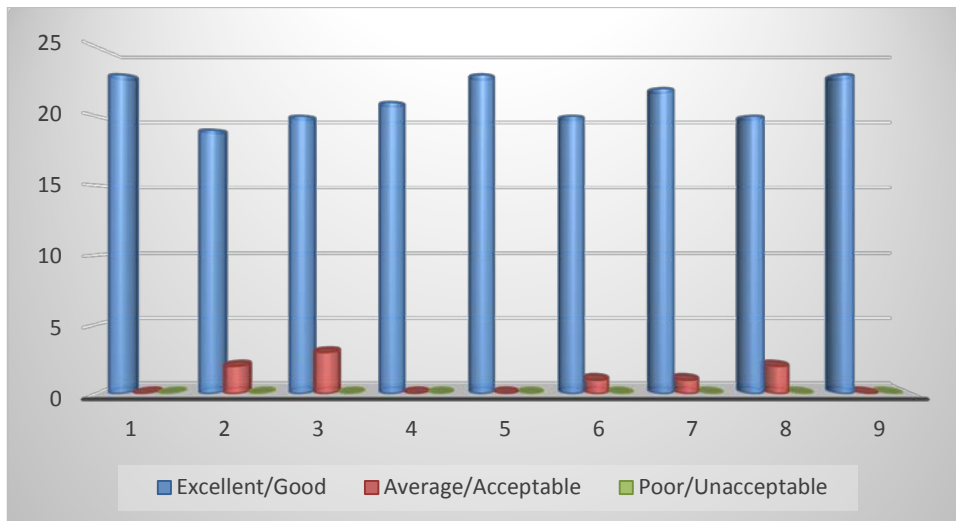
My Expectations

1. Improved understanding of the needs for implementation of ETS in their country and the steps to be taken towards implementation
2. Improved understanding on which stakeholders to involve in various steps of implementation of ETS, their roles and responsibilities
3. Better understanding of the required resources for the implementation of specific elements of an ETS system in conformity with the EU ETS requirements
4. I have gained insights in tips and tools to support efficient implementation and support priority setting in implementation



Aspect of Workshop

1. The workshop achieved the objectives set
2. The quality of the workshop was of a high standard
3. The content of the workshop was well suited to my level of understanding and experience
4. The practical work was relevant and informative
5. The workshop was interactive
6. Facilitators were well prepared and knowledgeable on the subject matter
7. The duration of this workshop was neither too long nor too short
8. The logistical arrangements (venue, refreshments, equipment) were satisfactory
9. Attending this workshop was time well spent



ANNEX I – Agenda

Day 1 : Wednesday 18 May 2016

Start	Finish	Topic	Speaker	Sub topic/Content
08:45	09:00	Registration		
09:00	09:15	Formal opening, word of welcome	Višnja Grgasović , Croatian Ministry of Environmental and Nature Protection	
09:15	09:45	Round of introductions	All participants	Introduction participating experts and summary of status national ETS implementation/preparation
09:45	10:00	The role and ambitions of the roadmaps	Monique Voogt, ECRAN	<ul style="list-style-type: none"> Responsibilities wrt ETS implementation and the need for a structured approach The role of a roadmap and possible follow-up actions Ambitions for this workshop
10:00	10:30	ETS regulatory architecture	Monique Voogt, ECRAN	<ul style="list-style-type: none"> ETS legislation Stakeholders involved Tasks and obligations of ETS stakeholders
10:30	11:15	Slovenia's ETS implementation	Nives Nared, Ministry of Agriculture and the Environment, Slovenia	<ul style="list-style-type: none"> Timeframe of implementation Key choices made in the implementation process Lessons learned Questions and answers
11:15	11:30	Coffee Break		
11:30	12:15	Croatia's ETS implementation	Melita Zdilar, Croatian Ministry of Environmental and Nature Protection	<ul style="list-style-type: none"> Timeframe of implementation Key choices made in the implementation process Lessons learned International support Questions and answers
12:15	13:00	Serbia's ETS implementation	Dragana Radulovic, Serbian Ministry of Agriculture and Environmental Protection	<ul style="list-style-type: none"> Current status of implementation Key choices made in the implementation process Lessons learned International support Questions and answers
13:00	14:30	Lunch Break (extended, handling administrative concerns)		



Start	Finish	Topic	Speaker	Sub topic/Content
14.30	16.30	Roadmap working session #1: identifying required implementation steps (roles and responsibilities, identification of installations and permitting)	Working session facilitated by Imre Csikós, ECRAN <i>Break-out sessions with facilitators (one per country)</i> Melita Zdilar, Damien Laurent, Nives Nared, Alex Pijenburg, Imre Csikós, Monique Voogt	15" plenary introduction 45" Break-out session <i>Per country group (Results on flipchart):</i> - Country specific identification of already chosen or possible implementation steps - Identify government installations, stakeholders and their roles in implementation 30" Walk-through feedback sessions with flipcharts 20" Plenary discussion & conclusions Results will feed into work session 2
15.30	15.45	15 minutes Coffee Break during work session		
16:30	16:45	Conclusions and wrap-up 1 st day / outlook 2 nd day	Monique Voogt, ECRAN	



Day 2 : Thursday 19 May 2016

Start	Finish	Topic	Speaker	Sub topic/Content
09:00	09:30	Registration		
09:30	09:40	Opening and agenda	Monique Voogt, ECRAN	
9:40	10:10	Peer-to-peer support Netherlands - Croatia	Alex Pijnenburg, Dutch emissions authority	Approach, achievements and lessons learned
10.10	11.10	Roadmap working session #2: Priority setting of identified steps: (Where to start) and how to implement one selected priority	Working session facilitated by Monique Voogt, ECRAN <i>Break-out sessions with facilitators (one per country)</i>	15" plenary introduction 45" Break-out session <i>Per country group (Results on flipchart):</i> - Sketching timeframe of implementation - Formulation of objectives and milestones - Identifying roles and responsibilities - Main challenges and potential support needed
11:10	11:30	Coffee Break during work session		
11:30	12:30	Roadmap working session #2: Continued	Working session facilitated by Monique Voogt, ECRAN	40" Walk-through feedback sessions with flipcharts 20" Plenary discussion & conclusions Results will feed into work sessions 3
12:30	13:30	Lunch Break		
13:30	15:00	Roadmap working session #3: addressing the challenges of limited staffing capacity	Working session facilitated by Nives Nared, Ministry of Agriculture and the Environment, Slovenia <i>Break-out sessions with facilitators (one per country)</i>	15" plenary introduction 45" Break-out session <i>Per country group (Results on flipchart):</i> - Arguments towards hierarchy to address staffing requirements - National Roadmaps with priority choices made: what is tackled first and what is left till later stage. - Practical solutions to increase efficiency of work - How can ECRAN and other programs provide further support? 30" Walk-through feedback sessions with flipcharts
15:00	15:15	Coffee Break		
15:15	16:30	National roadmaps and key needs	Representatives of the beneficiary countries	<ul style="list-style-type: none"> • Summary of national roadmap • Follow-up actions • Needs for further support
16.30	16.45	Summary of the seminar and wrap-up	Monique Voogt , ECRAN	



ANNEX II – Participants

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Monique	Voogt	ECRAN	Netherlands	m.voogt@sqconsult.com



ANNEX III – Presentations (under separate cover)

Presentations can be downloaded from:

<http://www.ecranetwork.org/Events/163>



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ANNEX IV – Evaluation

Statistical Information

1.1	Workshop Session	Workshop on Formulating a Roadmap to Implement an Emission Trading System
1.2	Facilitators name	As per agenda
1.3	Name and Surname of Participants (evaluators)	As per participants' list.

Your Expectations

Please indicate to what extent specific expectations were met, or not met:

My Expectations	My expectations were met		
	Fully	Partially	Not at all
1. Improved understanding of the needs for implementation of ETS in their country and the steps to be taken towards implementation	21 (91%)	2 (9%)	
2. Improved understanding on which stakeholders to involve in various steps of implementation of ETS, their roles and responsibilities	19 (83%)	4 (17%)	
3. Better understanding of the required resources for the implementation of specific elements of an ETS system in conformity with the EU ETS requirements.	16 (70%)	7 (30%)	
4. I have gained insights in tips and tools to support efficient implementation and support priority setting in implementation.	18 (78%)	5 (22%)	



Workshop and Presentations

Please rate the following statements:

Aspect of Workshop	Excellent	Good	Average	Acceptable	Poor	Unacceptable	Not rated
1. The workshop achieved the objectives set	14	9					
2. The quality of the workshop was of a high standard	13	6	2				2
3. The content of the workshop was well suited to my level of understanding and experience	16	4	2	1			
4. The practical work was relevant and informative	16	5					2
5. The workshop was interactive	17	6					
6. Facilitators were well prepared and knowledgeable on the subject matter	17	3	1				2
7. The duration of this workshop was neither too long nor too short	15	7		1			
8. The logistical arrangements (venue, refreshments, equipment) were satisfactory	14	6	1	1			1
9. Attending this workshop was time well spent	19	4					

Comments and suggestions

I have the following comment and/or suggestions in addition to questions already answered:

Workshop Sessions:

- Excellent (mentioned 2 times)
- More similar workshops (mentioned 2 times)

Facilitators:

- Excellent (mentioned 2 times)
- Meet our expectation
- Nives Nared was excellent
- As always, Monique was excellent. It is lovely to work with her, always helpful and engaging

Workshop level and content:

- Excellent (mentioned 10 times)

