Reporting requirements for national GHG inventories under the EU Governance Regulation adapted to the Energy Community

Ricardo Fernandez
European Environment Agency

9th Energy and Climate Technical Working Group [7 April 2022]
Legal requirements for national GHG inventories and inventory systems

- Decision of the Ministerial Council of the Energy Community [D/2021/14/MC_EnC] adapted from:
  - Regulation (EU) 2018/1999: Governance of the Energy Union and climate action
  - Implementing Regulation (EU) 2020/1208: Structure, format and submission process
  - Delegated Regulation (EU) 2020/1044: GWP, inventory guidelines and Union inventory system
GHG inventory reporting under article 26(3) of the EU Governance Regulation

- Consistency with international reporting requirements under the Paris Agreement
  - Inventory guidelines: Modalities, procedures and guidelines under the Enhanced Transparency Framework (MPGs, Decision 18/CMA.1)
  - Global warming potentials: IPCC fifth assessment report (AR5)
  - Methodological guidance: ‘shall’ 2006 IPCC guidelines (Decision 18/CMA.1) and ‘may’ 2019 refinement (Decision 5/CMA.3)
What you need to report regarding GHG inventories: CRTs (tables) and NID (document)

- Submission deadlines: 15/01/2025 (draft) and 15/03/2025 (final)
- Frequency: Ukraine (annual); Albania, Bosnia and Herzegovina, Kosovo (UNSCR 1244), North Macedonia, Georgia, Moldova, Montenegro, Serbia (biennial)
- Prepare and submit a GHG inventory report (2 components):
  - National inventory document (NID): outline agreed in Glasgow (outline not mandatory, but content is)
  - Common reporting tables (CRTs): agreed at COP26 in Glasgow (tables are mandatory, but with embedded ‘flexibilities’)

[Software to be developed by UNFCCC: test 06/23 (crucial), final 06/24]
What you need to report regarding GHG inventories: Annexes (implementing regulation)

- Annexes facilitate the QA/QC of submissions to the EU and the preparation of the Union inventory
- Three submission types: separate, part of NID and conditional

- reasons for recalculations (art.9)
- implementation of review recommendations (art.10)
- methodological descriptions (art.11)
- uncertainty analysis (art.12.1)
- assessment of completeness (art.12.2)
- reporting on indicators (art.13)
- consistency with ‘EC information’ (art.14 on EU ETS, adapted)
- consistency with air pollutants (art.15 deleted)
- consistency with fluorinated gases (art.16)
- consistency with energy statistics (art.17)
- changes to national systems and registries (art.18)
Use of the MPGs’ flexibility provisions vs. Governance higher standards

- Paris’ flexibilities not applicable to developed country Parties

- Guiding principles in the MPGs:
  - The importance of facilitating improved reporting and transparency over time;
  - Promoting transparency, accuracy, completeness, consistency and comparability;
  - Providing flexibility to those developing country Parties that need it in light of their capacities;

- Flexibilities apply to mandatory requirements and are temporary: a ‘shall’ with flexibility is not a ‘should’

- Governance higher standards should lead to faster quality improvements
Overview of the flexibility provisions and ‘shall’ provisions in the MPGs and the Governance

<table>
<thead>
<tr>
<th>Reporting elements</th>
<th>‘Shall’ provision in MPGs</th>
<th>Flexibilities applicable</th>
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</thead>
<tbody>
<tr>
<td>Key category analysis</td>
<td>95% threshold</td>
<td>85% to 95% threshold</td>
</tr>
<tr>
<td>Uncertainty assessment</td>
<td>Quantitative and qualitative for all categories</td>
<td>At least qualitative for key categories</td>
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<tr>
<td>Insignificance threshold</td>
<td>‘NE’ if lower than 0.05% of NT and 500Kt of CO₂e</td>
<td>‘NE’ if lower than 0.1% of NT and 1000Kt of CO₂e</td>
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<tr>
<td>QA/QC</td>
<td>Develop QA/QC Plan</td>
<td>Encouraged to develop</td>
</tr>
<tr>
<td>Greenhouse gases</td>
<td>CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃</td>
<td>CO₂, CH₄, N₂O. Other if in NDC or reported before</td>
</tr>
<tr>
<td>Time series (can be challenging)</td>
<td>Annually between 1990 and t-2</td>
<td>Reference year for NDC, and annually from 2020 to t-3</td>
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National inventory systems (NIS) under article 37 of the EU Governance Regulation

- Broadly consistent with MPGs but focus on establishment and not reporting
  - By 1/1/2023, establish, operate and continuously improve NIS to estimate emissions and removals to ensure the TACCC of the GHG inventory
  - Ensure that the national competent inventory authorities have access to the necessary information to prepare and report the GHG inventory
  - Ensure sufficient capacity for the timely performance of GHG inventory functions, including data collection and the technical competence of staff involved
- An EC inventory system to ensure the TACCC of the EC GHG inventory shall be established [but focus on individual reporting in the short-term]
Own perspective on key elements of a sustainable national inventory system (i)

- National inventory systems are not only relevant to international reporting but also in the national policy context.
- Involve different national stakeholders in the process and seek regional/international cooperation.
- Have mechanisms at national level to ensure data sharing between agencies and data access by inventory compilers.
- Formalize the roles and responsibilities of the different actors involved in the inventory to provide certainty.
Own perspective on key elements of a sustainable national inventory system (ii)

- Seek closer collaboration at national level (joint working groups)
  - More efficient data collection (EM, AD, EF)
  - Improved quality of emission/removal estimates
  - Better consistency between reporting obligations

- Internalize knowledge and capacitate national experts to sustain quality improvements over time

- Inventories are complex and demanding: motivate your experts and institutions about the added value of what they do
The Union’s GHG inventory system

Three pillars:

- Legal reporting basis: EU Governance Regulation
- Solid institutional basis: National System & QA/QC programme
- Very good cooperation: EU and MS, via WG1 Climate Change Committee
Final reflections on GHG inventory reporting & national systems

- The first EU GHG inventory was very simple. Progress can be slow as long as quality improvements are sustained.

- Success factors: EU legislation, defining roles & responsibilities, QA/QC programme, collaboration with MS & experts, and UNFCCC reviews & audits.

- Public awareness and increased policy relevance of climate change also contribute to improvements (inventories are the ‘nuts & bolts’ of climate policy).

- People are replaceable if the national system is robust, so prioritize this as the basis for a good inventory that improves over time.
Thank you!

ricardo.fernandez@eea.europa.eu

‘never discourage anyone who continually makes progress, no matter how slow’, Plato