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Mapping of the mandatory and voluntary carbon management framework in the EU

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Contents

Foreword

This CWA 17675:2021 has been developed in accordance with CEN-CENELEC Guide 29 "CEN/CENELEC Workshop Agreements – A rapid prototyping to standardization" and with the relevant provisions of CEN-CENELEC Internal Regulations – Part 2. It was approved by a Workshop of representatives of interested parties on 2021-01-13, the constitution of which was supported by CEN following the public call for participation made on 2020-06-16. However, this CEN Workshop Agreement does not necessarily include all relevant stakeholders.

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Introduction

Climate change arising from anthropogenic activity has been identified as one of the greatest challenges the world has to face and will continue to affect business and citizens over future decades.

Climate change has implications for both human and natural systems and could have significant impacts on resource availability, economic activity, and human well-being. In response, international, regional, national, and local initiatives are being developed and implemented by public and private sectors to mitigate greenhouse gas (GHG) concentrations in the Earth's atmosphere as well as to facilitate adaptation to climate change. Although adaptation represents an extremely important and crucial topic, it is not included in the analysis reported in the present document, that is focused on monitoring, reporting and verification (MRV) and mitigation aspects.

There is a need for an effective and progressive response to climate change's urgent threat based on the best available scientific knowledge. There is a growing development of mandatory and voluntary tools and programs, both at the national and European level, meant to promote effective actions for GHG emissions reduction. In general, these pathways are developed from two sides: at the organisation and the product level, that should be in line with national inventories based on provisions of the Paris Agreement. All GHG initiatives on mitigation rely on the monitoring, reporting, and verification (MRV) of GHG emissions and/or removals. The synergy between MRV methodologies foreseen by the mandatory framework and by voluntary market mechanisms becomes a fundamental element to maximise the mitigation results from an overall system point of view and create the maximum possible synergy between the pathway established by EU policies and the most interesting market's dynamics.

The EU emissions trading system (EU ETS) is a cornerstone of the EU's policy to combat climate change, and represents its key tool for reducing greenhouse gas emissions (GHG) cost-effectively. It is the world's first major carbon market. The EU ETS Directive (2003/87/EC) was adopted in 2003 and the system was launched in 2005, and it has undergone several changes over time. [1]It was structured in four trading periods, known as phases, with the fourth that will be in place from 2021 until 2030.The EU ETS has inspired the development of emissions trading in other countries and regions, such as in Canada, China, Japan, New Zealand, South Korea, Switzerland and the United States. The EU aims to link the EU ETS with other compatible systems; for this, international standards will certainly play a crucial role.

On the product side, the EU Commission recommends the use of the multi criteria PEF method. At the moment, it has not been decided which will be the political use of this instrument and if it will entail normative requirements in terms of product, even if its use is indicated in the communication COM(2020)98 of 11/03/2020 on the Circular Economy. However, it is important to note that the Climate Change impact category can be used to quantify the Carbon Footprint of products and under the current weighting scheme it has a larger weight compared to the other 15 impact categories of the PEF. Furthermore, the technical aspects for the quantification of the Climate Change impact category have been developed by following closely the ISO 14067, hereafter described.

ISO and CEN produce documents that support the transformation of scientific knowledge into tools that will help address climate change. With regard to MRV for climate change, ISO created some standards that constitute the ISO 14060 family of standards on MRV, hereafter synthetically described:

— ISO 14064-1 details principles and requirements for designing, developing, managing, and reporting organization-level GHG inventories. It includes requirements for determining GHG emission and removal boundaries, quantifying an organization's GHG emissions and removals, and identifying specific company actions or activities aimed at improving GHG management. It also includes requirements and guidance on inventory quality management, reporting, internal auditing, and the organization's responsibilities in verification activities.

— ISO/TR 14069 assists users applying ISO 14064-1, providing guidelines and examples for improving transparency in the quantification and reporting of emissions. It does not provide additional guidance to ISO

[1] See Bibliography

14064-1.

— ISO 14064-2 details principles and requirements for determining baselines and monitoring, quantifying and reporting, at the project level, GHG emissions reduction or removal enhancement. It focuses on GHG projects or project-based activities specifically designed to reduce GHG emissions and/or enhance GHG removals. It provides the basis for GHG projects to be validated and verified.

— ISO 14067 defines the principles, requirements, and guidelines for the quantification of the carbon footprint of products. This document aims to quantify GHG emissions associated with the life cycle stages of a product, starting from resource extraction and raw material sourcing and extending through the production, use, and end-of-life stages of the product.

For the three above mentioned standards, it is possible, voluntarily, to obtain a third-party verification under accreditation, to demonstrate the conformity of the statements prepared by an organisation according to these standards and to confirm their reliability in terms of emissions and CO_2 equivalent quantification or removals. This process is guided by three other specific standards, hereafter detailed.

— ISO 14064-3 details requirements for verifying GHG statements related to GHG inventories, GHG projects, and products' carbon footprints. It describes the process for validation or verification, including validation or verification planning, assessment procedures, and the evaluation of organizational, project and product GHG statements.

— ISO 14065 defines requirements for bodies that validate and verify GHG statements. The requirements cover impartiality, competence, communication, validation and verification processes, appeals, complaints, and the management system of validation and verification bodies. It can be used as a basis for accreditation and other forms of recognition about the impartiality, competence, and consistency of validation and verification bodies.

— ISO 14066 specifies competence requirements for validation teams and verification teams. It includes principles and specifies competence requirements based on the tasks that validation teams or verification teams must be able to perform.

The modalities in which the verification, validation, and accreditation activities are carried out, constitute an important contact point between the mandatory and voluntary framework, since both refer to the mentioned standards ISO 14064-3 and ISO 14065, and in general the same conformity assessment bodies operate in both frameworks for the third-party verification under the same national accreditation system.

It could hence be useful for the entire system to enhance the mutual understanding about the requirements on the monitoring and reporting part of the two mentioned frameworks, namely the mandatory and voluntary ones. This would allow organisations to use the voluntary standards to maximise the effectiveness of what is already in place in the international mandatory system and to increase the reach and the effectiveness of the mitigation actions of GHG emissions. Additionally, more globally it will also increase transparency, credibility and encourage common best practices.

It shall be mentioned that, in addition to the ISO standards analysed in this document, there are others ones developed from private initiatives addressing climate change topics (e.g. the GHG Protocol). Nevertheless, they were not included in the present document because they fell out of its scope.

1 Scope

This document aims at increasing, in the respective different fields, the integrated knowledge of mandatory norms and EN and ISO standards. It is also meant to highlight the existing contact points between these norms and the aspects where it is possible to increase synergies, in an evident and in an interpretative way, to promote their integrated use to maximise the actions in terms of GHG mitigation.

It has to be noticed that this document cannot constitute an official reference if necessary for interpretation of one or more requirements of the mentioned EN ISO standards, nor of the applicable legislation, and cannot be used in case of litigations or for verification aims. Furthermore, it cannot be used to add, reduce or modify the EN ISO standards requirements mentioned in this document.

2 Normative references

This document refers to the requirements included in other publications. These normative references are mentioned in the most appropriate paragraphs of the texts and listed hereafter. Concerning dated references, subsequent modifications or revisions to the publications above are to be taken into consideration only when introduced in this document as an update or a revision. For the recent references, it has to be considered the latest edition of the publication to which they refer.

EN ISO 14064-1, *Greenhouse gases - Part 1: Specifications and guidelines, at the organisational level, for the quantification and reporting of greenhouse gases emissions and their removal*

EN ISO 14064-2, *Greenhouse gases - Part 2: Specifications and guidelines, at the project level, for the quantification, monitoring and reporting of the greenhouse gases emissions or the increasing of their removal*

EN ISO 14064-3, *Greenhouse gases - Part 3: Specifications and guidelines for the validation and the verification of the statements on greenhouse gases*

EN ISO 14067, *Greenhouse gases - Carbon footprint of products - Requirements and guidelines for quantification*

EN ISO 14065, *Greenhouse gases - Requirements for the validation and verification bodies of greenhouse gases for their use in the accreditation or in other forms of recognition*

ISO 14066, *Greenhouse gases - Competence requirements for greenhouse gas validation teams and verification teams*

3 Terms, definitions and abbreviated terms

3.1 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

ISO and IEC maintain terminological databases for use in standardization at the following addresses:

— ISO Online browsing platform: available at https://www.iso.org/obp

— IEC Electropedia: available at http://www.electropedia.org

3.1.1
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