

Monitoring, Reporting and Verifying GHG Emissions under Existing and  
Developing Carbon Pricing Mechanisms  
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# MRV IN CHINA'S ETS PILOTS

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# PROGRESS UPDATE

1. *Notice on Implementing Carbon Emissions Trading in Pilot Regions* by NDRC (2011.10)
2. transformation of policy approaches
3. Progress of pilots
  - Expectations and realities
  - Guidance and flexibilities
4. Preparation of unified national ETS

# LEGAL BASIS

1. Beijing and Shenzhen: decision of local legislatures
  - Mandatory reporting
  - Mandatory verification
  - Compliance rules
2. Other pilots: ETS authority/pilot governmental decisions

# COVERAGE

1. Gas
2. Sectors
3. Enterprises
  - Covered entities: e.g. Shanghai, >10,000 vs. 20,000 tCO<sub>2</sub>/a, 2010–2011
  - Ordinary reporting entities: e.g. Shanghai, >10,000 tCO<sub>2</sub>/a, 2012–2015

# M&R GUIDELINES

1. National Sectoral Monitoring and Reporting Guidelines: 10 sectors, more to be released
2. Pilot M&R guidelines: different requirements/quality, publicly available or internal use
3. Emission reduction M&R guidelines: national voluntary emission reduction methodologies, special pilot guidelines
4. National guidelines vs. pilot guidelines
5. Noncompliance (BJ): publication, additional period for correction, fine (30,000–50,000 Yuan)

# VERIFICATION ENTITY REQUIREMENTS

1. Registration location
2. Registered capital
3. Professional experience/qualification
  - CDM DOE
  - National voluntary emission reduction verifier
  - GHG verifier authorized by national certification and accreditation administration
  - Energy conservation verifier
  - Research experience
4. Internal management system
5. Minimum number of verifiers

# VERIFICATION GUIDELINES (BJ)

1. Principles: independence, impartiality, confidentiality, consistency, accuracy, relevance, transparency
2. Conflict of interest
3. Verification team
4. Relevant expertise
5. Document review, site visit
6. Issuance of non-conformity
7. Draft verification report and internal technical review
8. Verification report: format and contents
9. Recording of verification documents, 3 years

# VERIFIER SUPERVISION (BJ)

1. Quality control and assessment
  - Quality check of verification reports by experts
  - Revision and resubmission in case of poor quality
  - Quality check of resubmitted report
  - Designation of other verification entities
2. Incentives for good quality (80,000–120,000 Yuan)
3. Site visit and irregular check
4. Training of verifiers
5. Publication of noncompliance, withdrawal of registration, ban on verification activities



# LESSONS LEARNT

1. Legal basis vs. effective compliance rules
2. Operational and reliable guidelines
3. Timeframe
4. Luxuriousness vs. sustainability

THANKS