



get to grips with
**climate
change**



- Emission Trading Directive

- Monitoring Decision (UNFCCC)

Screening with Croatia and Turkey

3 April 2006

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Directive 2003/87/EC as amended by
Directive 2004/101/EC

... “establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC”



Article 1 – Subject matter

“... in order to promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner.”



Article 2 - Scope

- Applies to specified *activities* and *greenhouse gases*
- *Currently*, energy activities, production and processing of ferrous metals, mineral industry, “other activities”, i.e. pulp, paper and board
 - Installations above certain thresholds
- *Currently* only carbon dioxide (CO₂) is covered. Possibility to include in the future: methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆)



Article 3 - Definitions

- 3(a): “allowance” means an allowance to emit one tonne of carbon dioxide equivalent
- 3(b): “emission” means the release of greenhouse gases into the atmosphere from sources in an installation
 - i.e. “direct emissions” approach
- See Article 3 for more definitions



Articles 4 – 7 on greenhouse gas emission permits

- Installations carrying out the activities listed in Annex I may not operate without a greenhouse gas emission permit
 - note difference between a “greenhouse gas emission permit” and an “allowance”
- Operators apply for GHG permits to the competent authority
- The CA shall issue a permit if satisfied that operator is capable of monitoring and reporting emissions
- The permit shall contain various details, incl. the technical monitoring and reporting requirements and the obligation to surrender allowances
- Operators have to report changes to installations to the CA
 - can lead to update of permit



Articles 9 – 11 on allocation (1)

- Each Member State shall develop a national allocation plan for each trading period
 - based on objective and transparent criteria, including those in Annex III to the Directive
 - subject to public consultation
 - The plan states the total quantity of allowances the Member State intends to allocate for the period and how it proposes to allocate them
 - Notify to Commission 18 months before start of the trading period
 - Commission may reject a plan, or any aspect thereof, if incompatible with Annex III criteria or with Article 10.
 - Member State may not take national decision unless amendments accepted by the Commission
-



Articles 9 – 11 on allocation (2)

- For the period 2008-2012, Member States shall allocate at least 90% of allowances free of charge
 - nothing said for subsequent periods
- 12 months before the beginning of the relevant period, a Member State shall decide on the total quantity of allowances and initiate the process for allocating them
 - based on national allocation plan
 - take due account of comments from the public
 - compatible with the Treaty, in particular Articles 87 and 88
 - take into account the need to provide access to allowances for new entrants



Articles 11a – 11b on using ERUs and CERs in the ETS

- Member States may allow operators to surrender ERUs/CERs in the ETS instead of EUAs to a limit of the allocation
 - Limit is to be specified in the NAP
- Member States can decide ERUs/CERs from which projects are acceptable (but LULUCF and nuclear projects are excluded)
- Member States must ensure that baselines comply with the acquis
- Member States must ensure that there is no double counting



Articles 12 – 13 on allowances (1)

- Member States shall ensure that
 - allowances are fully transferable
 - allowances issued in another Member State are recognised
 - by 30 April each year at the latest, the operator of each installation surrenders a number of allowances equal to the total emissions from that installation during the preceding calendar year
 - allowances will be cancelled at any time at the request of the person holding them



Articles 12 – 13 on allowances (2)

- Allowances are valid for the period for which they were issued
- Four months after the beginning of each five-year period, allowances which are no longer valid and have not been surrendered and cancelled shall be cancelled by the competent authority
- Member States shall issue allowances to persons for the current period to replace any allowances held by them which were cancelled for the previous period
 - “banking”



Articles 14 – 15 on monitoring, reporting and verification

- The Commission has adopted guidelines for monitoring and reporting – will get back to this
- Member States shall ensure that they are followed by operators (e.g. methodologies, timelines)
- Member States shall ensure that the reports submitted are verified, and that...
- ...an operator whose report has not been verified as satisfactory cannot make further transfers of allowances until a report has been verified as satisfactory



Article 16 on penalties (1)

- MS shall lay down the rules on penalties applicable to infringements of national provisions adopted pursuant to this Directive and take all necessary measures to ensure that such rules are implemented
- “effective, proportionate and dissuasive”
- Names of operators who do not surrender sufficient number of allowances are to be published



Article 16 on penalties (2)

- Excess emission penalty = € 100/tonne CO₂
 - Member State ensures payment
 - operator is still obliged to surrender the missing number of allowances



Article 17 – access to information

- Decisions relating to the allocation of allowances and the reports of emissions required under the greenhouse gas emission permit and held by the competent authority shall be made available to the public
 - Subject to the restrictions laid down in Article 3(3) and Article 4 of Directive 2003/4/EC on public access to environmental information
- Information on project activities in which the MS participates need to be made public



Article 18 – competent authority

- Member States shall make the appropriate administrative arrangements, including the designation of one or more competent authorities, for the implementation of the Directive
 - ensure co-ordination if more than one CA
 - Ensure co-ordination with national JI/CDM focal point
 - tasks are e.g. issuing of GHG permits, receiving emission reports, establishing NAPs, handling the electronic registry



Articles 19 – 20 on Registries and the Central Administrator

- Will come back to this later in the presentation.



Article 21 – Reporting by Member States

- **Obligation to submit annual reports on the application of the Directive**
 - reporting date is 30 June every year
 - based on a questionnaire adopted by the Commission and provided to the MS



Article 22 – Amendments to Annex III

- Option for the Commission



Article 23 – Climate Change Committee

- Regulatory Committee (“comitology procedure”)
 - the agreement of the Committee is required for the adoption by the Commission of certain decisions
 - e.g. monitoring and reporting guidelines, unilateral inclusion under Article 24



Article 24 – unilateral inclusion of additional activities and gases

- MS may apply this Directive to activities, installations and greenhouse gases which are not listed in Annex I, and listed installations below the thresholds
- ...provided that the inclusion is approved by the Commission under the Comitology procedure...
- ... taking into account effects on the internal market, potential distortions of competition, the environmental integrity of the scheme and the reliability of the planned M&R system



Article 25 – Links with other schemes

- Option for the Commission



Articles 8 and 26 – Links to Directive 96/61/EC

- Article 8 ET requires that, where installations are covered by both Directives, the conditions of and procedures for the issue of GHG emission permits and IPPC permits be coordinated
- Article 26 ET amends the IPPC Directive by providing that the IPPC permit shall not specify an emission limit value for the covered GHG emissions from an installation participating in the EU ETS, unless it is necessary to ensure that no significant local pollution is caused.



Articles 27 and 29 expire end of 2007

- Article 27 on temporary exclusion of certain installations
- Article 29 on *force majeure*



Article 28 – pooling

- Operators carrying out an activity listed in Annex I who wish to form a pool shall apply to the competent authority, specifying the installations and the period for which they want the pool and supply evidence that the trustee will be able to fulfil the obligations
 - The trustee is to be issued with the allowances, be responsible for surrendering allowances, be restricted from making further transfers if an operator's report has not been verified as satisfactory
 - If trustee fails his obligations, responsibility back to operators
- Member State applies to the Commission, who has to approve the pool
- Article expires on 31.12.2012



Article 30 – Review of the Directive

- For the Commission to apply



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Monitoring, Reporting and Verification in the EU ETS:

**Screening with Croatia and Turkey
3 April 2006**

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Monitoring – at the heart of the EU ETS

- Commission Decision 2004/156/EC of 29 January 2004 establishing guidelines for monitoring and reporting of GHG emissions
 - Please note: This is monitoring and reporting by *operators in the EU ETS*, as compared to monitoring and reporting by *Member States* under Decision 280/2004/EC, to be discussed later today
- Companies must monitor and report their GHG emissions from 1 January 2005 onwards
- Installations must have a permit, with monitoring and reporting requirements set out therein, from 1 January 2005 onwards



Legal framework

EU Directive on Greenhouse Gas Emissions Trading

- **Art. 14 of the Directive:**

- Member States shall ensure that emissions are monitored in accordance with the guidelines.

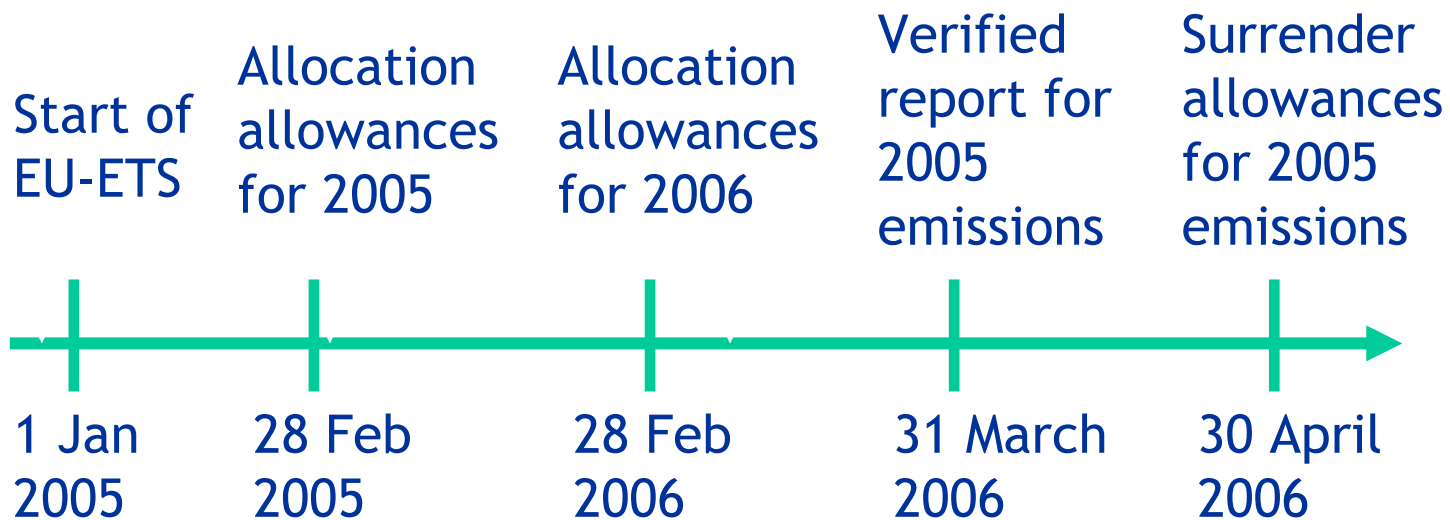
- Member States shall ensure that each operator of an installation reports the emissions from that installation during each calendar year to the competent authority after the end of that year in accordance with the guidelines.

- **Annex IV** of the Directive sets out principles for monitoring & reporting

- **Article 15 and Annex V** contain provisions on verification



EU-ETS Timeline





The EU MRG framework

1. Monitoring of Emissions

Installation-based calculation and measurement of CO₂-emissions including archiving, QA/QC & Documentation

2. Reporting of Emissions

Annual installation-specific emissions report

3. Verification of Emission report

Checked by an independent verifier



Annex I: General Rules

General requirements for MRG:

- System boundaries
 - Calculation and measurement
 - Selection of emission factors and oxidation factors
 - Retention of information
 - Quality assurance and control
 - Guidance on uncertainty assessment
 - Reporting requirements
-



Annex II-XI: Sectoral Guidelines

II) General combustion installation guidelines

III-XI) Sector specific provisions for monitoring and reporting:

- Potential GHG-sources of typical installations/processes
- Potential categories of GHG-emissions (combustion, processes)
- Specific calculation methods
- Process-specific emission factors



Tier Approach

- Tiers: approaches with different levels of accuracy for calculation of emissions
- Tier 1: lowest level of accuracy - increasing numbering reflects increasing accuracy
- Choice of tiers: Obligatory use of highest tier unless this is not technically feasible or leads to unreasonably high costs
- Choice of tiers to be approved by competent authority as part of permitting process



Reporting

- Annual report to the competent authority
- To be verified by an independent Verifier
- Information provided
 - Production data relevant for level of emissions: consumption of fuel-/input material, production output, etc.
 - Emission factors, oxidation/conversion factors
 - Emissions for each of the activities carried out
- Information publicly available – Art 17 of ET Directive and Directive 2003/4/EC on Access to environmental information



Annex V – Verification

General Principles

- Emissions from activities Annex I must be verified
- Verification must address the reliability, credibility, accuracy of monitoring and reporting

Methodology

- Strategic analysis, process analysis, risk analysis
 - Verifier has to indicate whether the M&R is satisfactory
 - Verifier must be independent from the operator
-



Verification & Accreditation

- No harmonised verification and accreditation requirements in ETS Directive
- Member States have already set up systems for verifying monitoring and reporting
- Mutual recognition of verifiers left to the discretion of individual Member States
- Possibilities for common approach to verification regime for second trading period



MRG Next Steps

- Improve cost-effectiveness and flexibility of monitoring and maintain accuracy & credibility
- Simplified MRG procedure for small installations
- Review and amend activity specific annexes
- Achieve “full” consistency with national reporting
- Fine-tuning of Guidelines for 2008-2012 period
- Revised Guidelines enter into force 1.1.2008



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Commission Regulation 2216/2004 on Registries

**Screening with Croatia and Turkey
3 April 2006**

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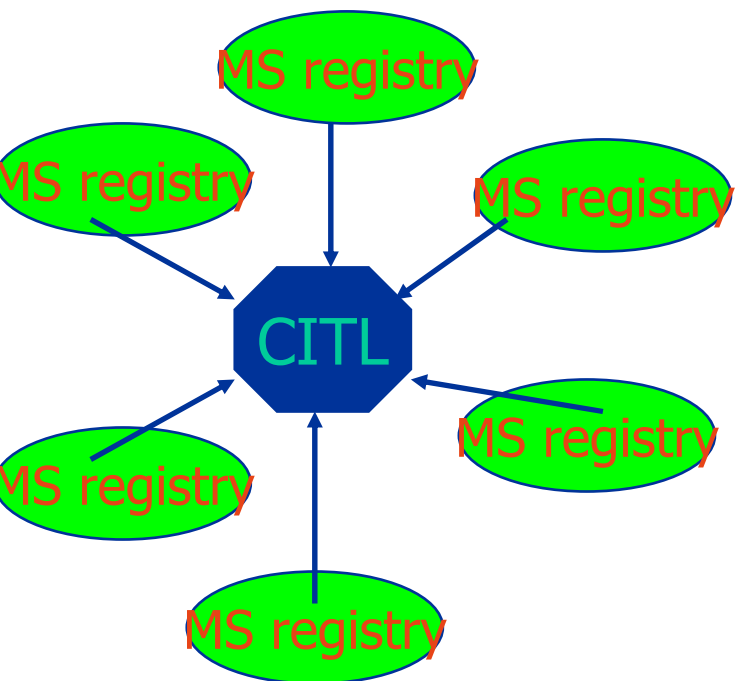
Registries Regulation

- Full title: Commission Regulation No 2216/2004 for a standardised and secured system of registries pursuant to Directive 2003/87/EC and Decision 280/2004/EC
- 77 pages (54 pages of technical annexes)
- Subject: Provisions for, specifications of and operational and maintenance requirements of registries
- Registries: standardised electronic databases communicating through the Community Independent Transaction Log
- Directly applicable, no need for transposition

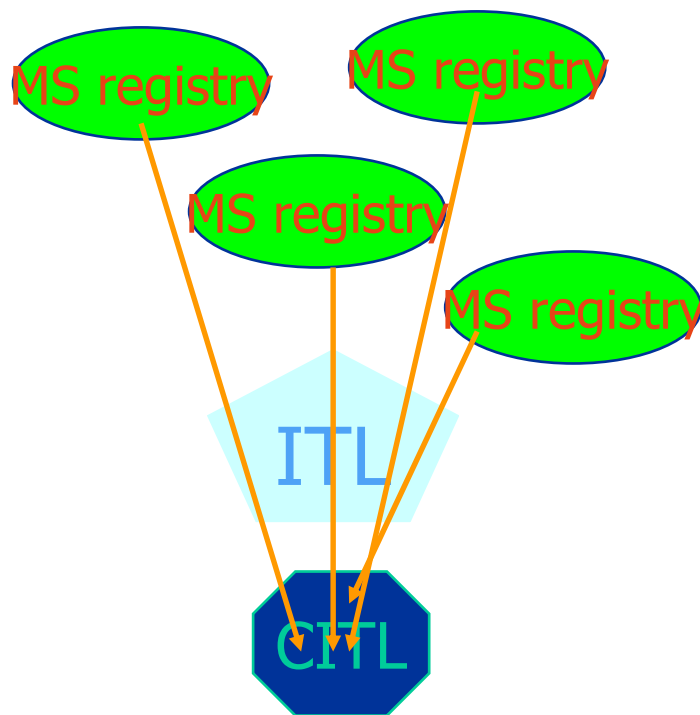


CITL-ITL-Registries connections

Now



After launch of ITL





Member State obligations (Arts 3, 6)

- A Member State should have a registry that is connected to the CITL by 1 January 2005
- Before connection, registry is tested by Commission
- Registry can be operated together with other MS
- Registry should be able to carry out processes in Annexes VIII, X, XI
- RegReg contains hardware and software specifications
- Most Member States purchase the software



Member State obligations (Arts 8-10)

- Member State shall designate a Registry Administrator (RA)
- RA needs to draw up reports specified in Annex XVI
- RA must keep all other info confidential



Registry Accounts

- Party holding account
- Party retirement account
- Party cancellation account
- Operator holding accounts
- Person holding accounts



Other Registry elements

- Tables
- Checks
- Transactions:
 - Issuance to operators
 - Surrender by operators
 - Cancellation and retirement by the government or by operators



Monitoring and Reporting of GHG

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Brussels

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General Information

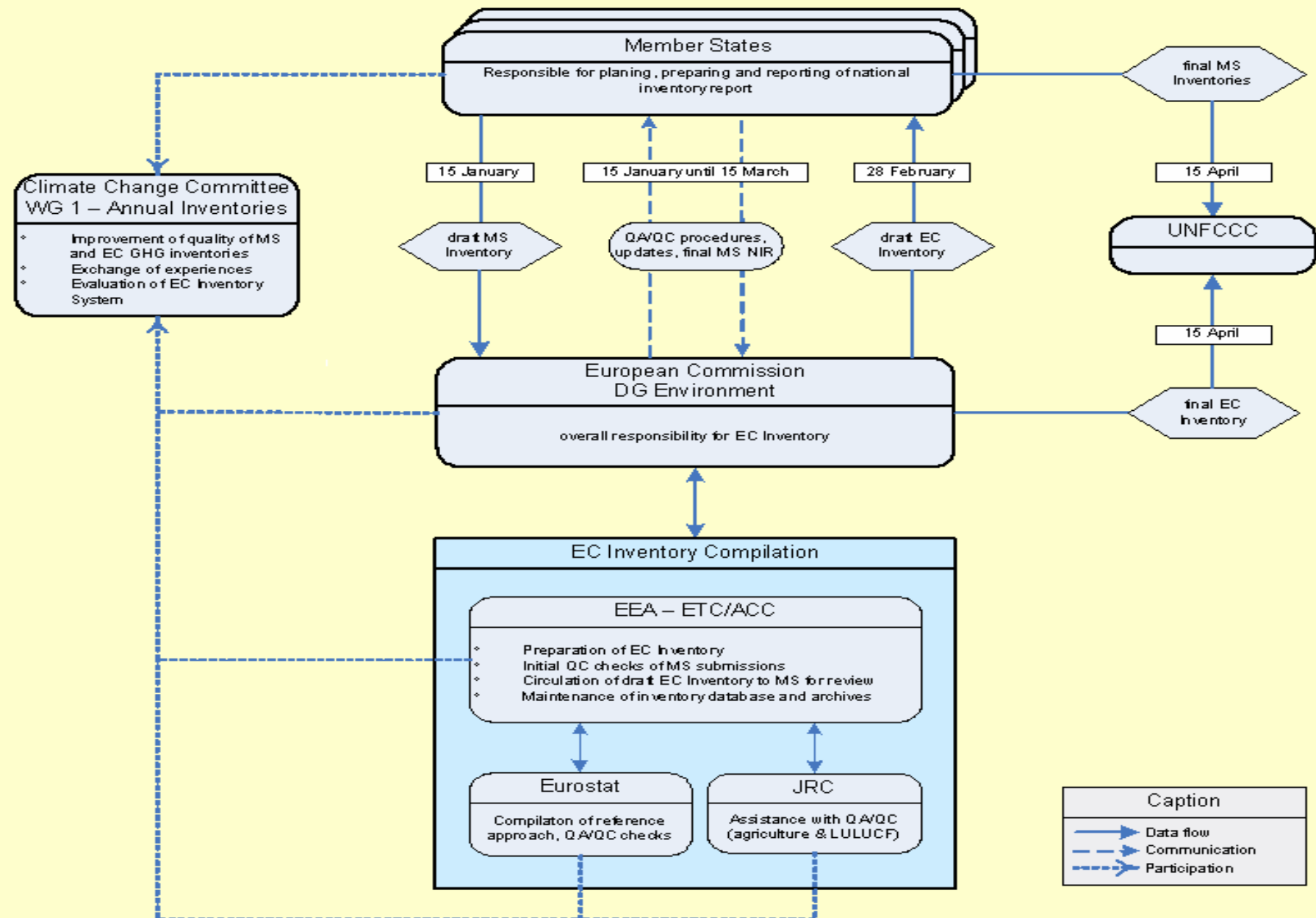
- All EU Member States (MS) have ratified the Kyoto Protocol
- EU-15 have a reduction target under the Kyoto Protocol 8%
- Burden Sharing agreement: agreement to share the reduction target among the 15 Member States (MS)
(Council Decision 2002/358/EC)
- 8 new MS have individual reduction targets of 8%
(6% Poland and Hungary, Cyprus and Malta non-Annex I countries)
- Member States report to the UNFCCC
- European Community reports to the UNFCCC



Basis for Monitoring System

- Marrakech Accords (i.e., Decisions 20-24)
 - Kyoto Protocol (i.e., Articles 5, 7, 8)
 - IPCC Good Practice Guidelines
 - EU legal basis
 - DECISION No 280/2004/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol
http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_049/l_04920040219en00010008.pdf
 - COMMISSION DECISION of 10 February 2005 laying down rules implementing Decision No 280/2004/EC of the European Parliament and of the Council concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol (2005/166/EC)
http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_055/l_05520050301en00570091.pdf
-

Inventory System of the European Community





Subject Matter: Monitoring Mechanism (Decision 280/2004/EC)

- (a) monitoring all anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol on substances that deplete the ozone layer in the Member States
- (b) evaluating progress towards meeting commitments in respect of these emissions by sources and removals by sinks
- (c) implementing the UNFCCC and the Kyoto Protocol, as regards national programmes, greenhouse gas inventories, national systems and registries of the Community and its Member States, and the relevant procedures under the Kyoto Protocol
- (d) ensuring the timeliness, completeness, accuracy, consistency, comparability and transparency of reporting by the Community and its Member States to the UNFCCC Secretariat.



Subject Matter – Implementing provisions (Commission Decision 2005/166)

- (a) the reporting of inventory information, policies and measures and GHG projections**
- (b) the establishment of a Community inventory system**
- (c) the requirements for reporting on the demonstration of progress as required by Article 3(2) of the Kyoto Protocol and for reporting in relation to the additional period set in the Marrakech Accords for fulfilling commitments**
- (d) the procedures and timescales for the cooperation and coordination of the various reporting obligations**



Article 3 (1) – Annual Inventory reports

MS shall report to the Commission by **15 January** each year (year X) in accordance with the UNFCCC reporting guidelines for annual inventories, and the guidelines under Article 7 of the Kyoto Protocol and shall determine the content of these reports according to the revised 1996 IPCC guidelines for national greenhouse gas inventories, the IPCC good practice guidance, the IPCC good practice guidance for LULUCF.

- (a) their anthropogenic emissions of greenhouse gases listed in Annex A to the Kyoto Protocol (carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆)) during the year before last (year X-2)
 - (b) provisional data on their emissions of carbon monoxide(CO), sulphur dioxide (SO₂), nitrogen oxides (NO_x) and volatile organic compounds (VOC) during the year before last (year X-2), together with final data for the year three years previous (year X-3)
 - (c) their anthropogenic greenhouse gas emissions by sources and removals of carbon dioxide by sinks resulting from land-use, land-use change and forestry during the year before last (year X-2)
 - (d) information with regard to the accounting of emissions and removals from land-use, land-use change and forestry, in accordance with Article 3(3) and, where a Member State decides to make use of it, Article 3(4) of the Kyoto Protocol, and the relevant decisions thereunder, for the years between 1990 and the year before last (year X-2) - (Election of activities under 3.4 results to additional reporting of anthropogenic greenhouse gas emissions for each elected activity 1990 to(X-1), information clearly distinguished from the estimates of anthropogenic emissions from the sources listed in Annex A of the Kyoto Protocol)
 - (e) any changes to the information referred to in points (a) to (d) relating to the years between 1990 and the year three years previous (year X-3)
-



Article 3(1)- cont.

- (f) the elements of the national inventory report necessary for the preparation of the Community greenhouse gas inventory report
- quality assurance/quality control plan,
 - a general uncertainty evaluation,
 - a general assessment of completeness,
 - information on recalculations performed,
 - description of institutional arrangements,
 - description of methodologies and data sources (Table Annex I Impl. Provisions) ,
 - comparison of sectoral and reference approach,
 - responses to the UNFCC review,
 - description of past emission trends
- (g) information from the national registry, once established, on the issue, acquisition, holding, transfer, cancellation, withdrawal and carryover of assigned amount units, removal units, emission reduction units and certified emission reductions during the previous year (year X-1) (including information pursuant to the guidelines under Art.7 of the Kyoto Protocol)
- (h) information on legal entities authorised to participate in mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol, in compliance with relevant national or Community provisions (list of entities allowed to hold AAUs, CERs, ERUs, RMUs)
-



Article 3(1) – cont.

- (i) steps taken to improve estimates, for example where areas of the inventory have been subject to adjustments
- (j) information on indicators for the year before last (year X- 2) by January 15th
 - Priority (Table II-1 Annex II),
 - additional priority (Table II-2 Annex II)
 - Supplementary (Table II-3 Annex II)
- (k) any changes to the national inventory system.

Member States shall communicate to the Commission, by 15 March each year (year X), their complete national inventory report.

Member states shall ensure the quality of activity data, emission factors and other parameters used for their inventories in accordance with the IPCC GPG

Member States shall submit their national inventory in electronic format to the Commission with a copy to the EEA

In case of missing estimates from a National inventory report the commission shall prepare estimates which will then need to be used by the MS concerned for its National submission to the UNFCCC unless updated data is received by MS by March 15th at the latest.



Article 3(2) – Biennial Reports

Projected progress

Report to the Commission, by **15 March 2005 and every two years** thereafter in accordance to the UNFCCC reporting guidelines for national communications’, and the Guidelines under Article 7 of the Kyoto Protocol:

(a) information on national policies and measures which limit and/or reduce greenhouse gas emissions by sources or enhance removals by sinks, presented on a sectoral basis for each greenhouse gas, including:

- (i) the objective of policies and measure (interaction with other PAMs including Community ones)
 - (ii) the type of policy instrument
 - (iii) the status of implementation of the policy or measure (expired or repealed: included)
 - (iv) indicators to monitor and evaluate progress with policies and measures over time, including, *inter alia*, those indicators specified in the implementing provisions adopted pursuant to paragraph 3
 - (v) quantitative estimates of the effect of policies and measures on emissions by sources and removals by sinks of greenhouse gases between the base year and subsequent years, including 2005, 2010 and 2015, including their economic impacts to the extent feasible (indicators for projections 2005,2010,2015,2020 Annex III Impl.provisions)
 - (vi) the extent to which domestic action actually constitutes a significant element of the efforts undertaken at national level as well as the extent to which the use of joint implementation and the clean development mechanism and international emissions trading, pursuant to Articles 6, 12 and 17 of the Kyoto Protocol, is actually supplemental to domestic actions, in accordance with the relevant provisions of the Kyoto Protocol and the Marrakech Accords (Questionnaire Annex V of Impl.provisions)
-



Article 3(2) – cont.

- (b) national projections of greenhouse gas emissions by sources and their removal by sinks as a minimum for the years 2005, 2010, 2015 and 2020, organised by gas and by sector, including:
- (i) ‘with measures’ (implemented and adopted) and ‘with additional measures’ (planned) projections such as mentioned in the guidelines of the UNFCCC (without measures - excludes implemented, adopted, planned)
 - (ii) clear identification of the policies and measures included in the projections
 - (iii) results of sensitivity analysis performed for the projections (focus: key input variables)
 - (iv) descriptions of methodologies, models, underlying assumptions and key input and output parameters (including mandatory parameters, point 1 Annex IV Impl. Provisions))
 - (v) high, central and low scenario and quantification of projected emissions
 - (vi) measures of robustness of methods used
 - (vii) parameters on projections (Point 2 Annex IV Impl. provisions)
- (c) information on measures being taken or planned for the implementation of relevant Community legislation and policies, and information on legal and institutional steps to prepare to implement commitments under the Kyoto Protocol and information on arrangements for, and national implementation of, compliance and enforcement procedures
- (d) information on institutional and financial arrangements and decision making procedures to coordinate and support activities related to participation in the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol, including the participation of legal entities (Questionnaire Annex V of Impl. Provisions).
-



Article 2 - National Programs

- MS shall devise and implement National Programs aiming at the:
 - Limitation and/or reduction of all greenhouse gas emissions under the UNFCCC and the Kyoto Protocol
 - Transparent and accurate monitoring of the actual and projected progress
 - National programs shall include the information referred to in Article 3(2) and shall be updated accordingly
 - Use of flexible mechanisms supplemental to domestic action
 - National programs and updates shall be publicly available, and within **three months** of their adoption notified to the Commission
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Article 4 - National Inventory System

Member States shall, as early as possible and in any case by 31 December 2005 at the latest, establish national inventory systems under the Kyoto Protocol for the estimation of anthropogenic emissions of greenhouse gases by sources and removals of carbon dioxide by sinks.



Article 5- Report on Demonstrable Progress

Each Member State shall prepare a report on the demonstration of progress achieved by 2005 by that Member State, taking into account information submitted in accordance with the UNFCCC guidelines for national communications and the guidelines under Art.7 of the Kyoto Protocol, and submit this to the UNFCCC Secretariat by 1 January 2006 at the latest.

- (a) a description of domestic measures, including any legal and institutional steps, adopted for the purpose of meeting that Member State's commitments pursuant to Article 2 of Decision 2002/358/EC and the Kyoto Protocol, and any programmes for domestic compliance and enforcement
- (b) information on trends in, and projections of, greenhouse gas emissions at national level, where the trends shall be based on the inventory data submitted by the Member States to the UNFCCC by 15 April 2005
- (c) an evaluation of how the domestic measures referred to in point (a), in the light of the trends and projections referred to in point (b), will contribute to the Member State meeting its commitments pursuant to Article 2 of Decision 2002/358/EC and the Kyoto Protocol;
- (d) a description of the activities, actions and programmes undertaken by the Member State for the purpose of meeting its commitments under Articles 10 and 11 of the Kyoto Protocol.

Member States shall submit the report as a single document including four chapters containing the information listed in paragraph 1, points (a) to (d).

The information on projections referred to in paragraph 1(b) shall be consistent with the information submitted to the Commission by 15 June 2005



Article 5(5) - Reports upon expiration of the additional period for fulfilling commitments

Each Member State shall submit a report to the UNFCCC Secretariat on the additional period set in the Marrakech Accords for fulfilling commitments upon the expiry of that period. Each Member State's report shall, in accordance with the modalities for the accounting of assigned amounts under Article 7(4) of the Kyoto Protocol, contain the following information:

(a) for the current calendar year until the end of the additional period for fulfilling commitments (defined according to Greenwich Mean Time), the total quantity of:

- (i) ERUs, CERs (including ICERs and tCERs), AAUs and RMUs in each Member State holding, cancellation, replacement and retirement account and in all operator and person holding accounts on 1 January each year,
 - (ii) AAUs issued on the basis of the assigned amount pursuant to Article 3(7) and 3(8) of the Kyoto Protocol,
 - (iii) ERUs issued on the basis of projects undertaken pursuant to Article 6 of the Kyoto Protocol,
 - (iv) ERUs, CERs (including ICERs and tCERs), AAUs and RMUs acquired from other registries and a separate list providing the identity of the transferring accounts and registries,
 - (v) RMUs issued on the basis of each activity under Article 3(3) and (4) of the Kyoto Protocol,
 - (vi) ERUs, CERs (including ICERs and tCERs), AAUs and RMUs transferred to other registries and a separate list providing the identity of the acquiring accounts and registries,
 - (vii) ERUs, CERs, AAUs and RMUs cancelled on the basis of activities under Article 3(3) and (4) of the Kyoto Protocol,
-



Article 5(5) – Article 6

- (viii) ERUs, CERs, AAUs and RMUs cancelled following determination by the Compliance Committee that the Member State is not in compliance with its commitment under Article 3(1) of the Kyoto Protocol
- (ix) other ERUs, CERs (including ICERs and tCERs), AAUs and RMUs cancelled
- (x) ERUs, CERs (including ICERs and tCERs), AAUs and RMUs retired
- (xi) AAUs, CERs, ERUs, RMUs and tCERs transferred into the tCER replacement account for the commitment period
- (xii) AAUs, CERs, ERUs, RMUs and ICERs transferred into the ICER replacement account for the first commitment period of the Kyoto Protocol

(b) the total quantity and serial numbers of ERUs, AAUs, RMUs, CERs (including ICERs and tCERs) in the Member State's retirement account at the end of the reporting period

(c) the total quantity and serial numbers of ERUs, CERs and AAUs which the Member State requests to be carried over to the subsequent commitment period

That information shall only include ERUs, AAUs, RMUs, CERs (including ICERs and tCERs) valid for the commitment period in question. It shall be determined on the basis of the information made available pursuant to Article 9 of Commission Regulation (EC) No 2216/2004 (1) and shall be submitted in electronic format.

- National Registries



Article 7 – Assigned Amount report

- Each Member State shall, by 31 December 2006 at the latest, submit a report to the UNFCCC Secretariat determining their assigned amount as equal to their respective emission levels
- Member States shall, following the completion of the review of their national inventories under the Kyoto Protocol for each year of the Kyoto Protocol's first commitment period, including the resolution of any questions of implementation, forthwith withdraw assigned amount units, removal units, emission reduction units and certified emission reductions equivalent to their net emissions during that year.
- In respect of the last year of the commitment period, retirement shall take place prior to the end of the additional period set in the Marrakech Accords for fulfilling commitments.
- Member States shall issue assigned amount units in their national registries corresponding to their emission levels determined pursuant to Decision 2002/358/EC and the Kyoto Protocol.



Article 8(1)- Procedures under the Kyoto Protocol

Member States and the Community shall ensure full and effective cooperation and coordination with each other in relation to obligations under this Decision concerning:

(a) the compilation of the Community greenhouse gas inventory and the Community greenhouse gas inventory report, pursuant to Article 4(1) (use of ReportNet, updated data limited to missing data and removing inconsistencies, timetable Annex VI)

(b) the review and compliance procedures under the Kyoto Protocol in accordance with the relevant decisions thereunder

- If on 1 June a Member State has not submitted its annual inventory report to the UNFCCC, it shall immediately notify the Commission.



Article 8(1)- cont.

- Member States shall notify the Commission within one week of receiving any of the following information from the UNFCCC:
 - (a) indications by an expert review team of problems related to the Member State's inventory which would need an adjustment
 - (b) corrections to the inventory estimates applied in agreement between the Member State and the expert review team to the inventory submission concerned
 - (c) adjusted estimates contained in a draft individual inventory review report applied where the Member State did not correct the problem to the satisfaction of the expert review team
 - (d) questions of implementation that have been submitted to the Compliance Committee under the Kyoto Protocol, the notification by the Compliance Committee to proceed with a question of implementation, and all preliminary findings and decisions of the Compliance Committee and its branches concerning the Member State.

With regard to point (a) the Member State shall notify the Commission on how it plans to address the problems identified by the expert review team.

With regard to point (c) the Member State shall notify the Commission whether it accepts or rejects the proposed adjustments.



Article 8(1) – cont.

- Member States shall coordinate their response to the review process in relation to obligations under Decision No 280/2004/EC with the Commission:
 - (a) within the timeframes provided pursuant to the Kyoto Protocol, if the adjusted estimates in a single year or the cumulative adjustments in subsequent years of the commitment period for one or more Member States would imply adjustments of the Community inventory to an amount leading to a failure to meet the methodological and reporting requirements under Article 7(1) of the Kyoto Protocol for the purpose of the eligibility requirements as set out in the guidelines under Article 7 of the Kyoto Protocol
 - (b) within two weeks prior to the submission to the relevant bodies under the Kyoto Protocol of the following:
 - (i) a request to revise an adjustment
 - (ii) a request for reinstatement of eligibility
 - (iii) a response to a decision to proceed with a question of implementation or to preliminary findings of the Compliance Committee
 - Member States shall inform the Commission and other Member States on adjustments calculated for their inventory estimates during the voluntary adjustment procedure applied pursuant to the technical guidance for adjustments.
 - (c) any adjustments under the UNFCCC review process or other changes to inventories and inventory reports submitted, or to be submitted, to the UNFCCC Secretariat
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Article 8(1) – cont.

(d) the preparation of the Community's report and the Member States' reports on the demonstration of progress by 2005 pursuant to Article 5(3) and (4);

- The Commission draft report on the demonstration of progress achieved by 2005 by the Community shall be circulated to Member States by 30 July 2005. Member States shall provide any comments by 31 August 2005 at the latest.
- Member States shall submit their reports on the demonstration of progress achieved by 2005 to the UNFCCC secretariat by 1 January 2006 and shall on the same date provide the Commission with an electronic copy of that submission.

(e) the preparation and submission of the report referred to in Article 7(1)

- Each Member State shall, by 15 January 2006, submit the following information to the Commission:
 - (a) the complete time series of inventories of anthropogenic emissions by sources and removals by sinks of greenhouse gases not controlled by the Montreal Protocol as reported to the UNFCCC;
 - (b) the identification of its selected base year for hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride as reported to the UNFCCC;
 - (c) its proposal for its emission level in terms of tonnes of carbon dioxide equivalent pursuant to Article 3 of Decision 2002/358/EC and Article 3(7) and (8) of the Kyoto Protocol, following the establishment of definitive base-year emission figures and on the basis of the quantified emission limitation or reduction commitments set out in Annex II to Decision 2002/358/EC and the Kyoto Protocol, taking into account the methodologies for estimating anthropogenic emissions by sources and removals by sinks referred to in Article 5(2) of the Kyoto Protocol and the modalities for the calculation of assigned amount pursuant to Article 3(7) and (8) of the Kyoto Protocol.
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Article 8(1) – cont.

- (d) the calculation of its commitment period reserve as 90 % of its proposed assigned amount or 100 % of five times its most recently reviewed inventory, whichever is the lowest;
- (e) the identification of its selection of single minimum values for tree crown cover, land area and tree height for use in accounting for its activities under Article 3(3) and (4) of the Kyoto Protocol, together with a justification of the consistency of those values with the information that has been historically reported to the Food and Agriculture Organisation of the United Nations or other international bodies, and in the case of difference, an explanation of why and how such values were chosen, in accordance with definitions, modalities, rules and guidelines relating to land use, land-use change and forestry activities under the Kyoto Protocol;
- (f) the identification of its election of activities under Article 3(4) for inclusion in its accounting for the first commitment period, together with information on how its national system under Article 5(1) of the Kyoto Protocol will identify land areas associated with the activities, in accordance with definitions, modalities, rules and guidelines relating to land use, land-use change and forestry activities under the Kyoto Protocol;
- (g) the identification of whether, for each activity under Article 3(3) and (4) of the Kyoto Protocol it intends to account annually or for the entire commitment period;
- (h) a description of its national system in accordance with Article 5(1) of the Kyoto Protocol, in accordance with the guidelines under Article 7 of the Kyoto Protocol;
- (i) a description of its national registry, in accordance with the guidelines under Article 7 of the Kyoto Protocol.
- (f) reporting in relation to the additional period set in the Marrakech Accords for fulfilling commitments pursuant to Article 5(5) and (6). Member States not listed in Annex II to Decision 2002/358/EC shall submit this information by 15 June 2006.



Article 8(1) – cont.

- The timetable for the preparation and submission of the reports referred to in Article 7(1) of Decision No 280/2004/EC and submitted in accordance with the modalities for the accounting of assigned amounts under Article 7(4) of the Kyoto Protocol is set out in Annex VII of the Impl. Provisions.
- The Member State reports upon expiration of the additional period for fulfilling commitments shall be submitted to the UNFCCC Secretariat and the Commission within one month after the expiration of the additional period for fulfilling commitments.

Member States shall submit national inventories to the UNFCCC Secretariat by 15 April each year containing information identical to that submitted in accordance with Article 3(1), unless information removing any inconsistencies or gaps has been provided to the Commission by 15 March of that year at the latest.

The Commission may, in accordance with the procedure referred to in Article 9(2), lay down procedures and time scales for such cooperation and coordination.



Thank you for your attention!