

## Basic information

**2013/0377(COD)**

COD - Ordinary legislative procedure (ex-codecision procedure)  
Regulation

Kyoto Protocol to the United Nations Framework Convention on Climate Change: technical implementation

Amending Regulation (EU) No 525/2013 [2011/0372\(COD\)](#)

### Subject

3.70.02 Atmospheric pollution, motor vehicle pollution  
3.70.03 Climate policy, climate change, ozone layer  
3.70.18 International and regional environment protection measures and agreements

Procedure completed

## Key players

|                               |  |                 |   |                  |
|-------------------------------|--|-----------------|---|------------------|
| European Parliament           | <b>Committee responsible</b>                           |                 | <b>Rapporteur</b>   | <b>Appointed</b> |
|                               | <b>ENVI</b> Environment, Public Health and Food Safety |                 | URUTCHEV Vladimir (PPE)   | 18/12/2013       |
|                               |  |                 | Shadow rapporteur<br>ARSENIS Kriton (S&D)<br>PANAYOTOV Vladko Todorov (ALDE)<br>EICKHOUT Bas (Verts/ALE)<br>CALLANAN Martin (ECR)<br>CYMAŃSKI Tadeusz (EFD) |                  |
|                               | <b>Committee for opinion</b>                           |                 | <b>Rapporteur for opinion</b>   | <b>Appointed</b> |
|                               | <b>DEVE</b> Development                                |                 | The committee decided not to give an opinion.   |                  |
|                               | <b>ITRE</b> Industry, Research and Energy              |                 | The committee decided not to give an opinion.   |                  |
| Council of the European Union | <b>Council configuration</b>                           | <b>Meetings</b> | <b>Date</b>   |                  |
|                               | General Affairs  | 3313            | 2014-05-13  |                  |
| European Commission           | <b>Commission DG</b>                                   |                 | <b>Commissioner</b>   |                  |
|                               |  |                 |   |                  |

European Economic and Social Committee

European Committee of the Regions

## Key events

| Date       | Event   | Reference  | Summary                 |
|------------|---|--|-------------------------|
| 06/11/2013 | Legislative proposal published                          | COM(2013)0769<br> | <a href="#">Summary</a> |
| 18/11/2013 | Committee referral announced in Parliament, 1st reading |  |                         |
| 10/03/2014 | Vote in committee, 1st reading                          |  |                         |
| 13/03/2014 | Committee report tabled for plenary, 1st reading        | <a href="#">A7-0171/2014</a>   | <a href="#">Summary</a> |
| 16/04/2014 | Decision by Parliament, 1st reading                     | <a href="#">T7-0426/2014</a>   | <a href="#">Summary</a> |
| 16/04/2014 | Results of vote in Parliament                           |                   |                         |
| 13/05/2014 | Act adopted by Council after Parliament's 1st reading   |  |                         |
| 15/05/2014 | Final act signed  |  |                         |
| 15/05/2014 | End of procedure in Parliament                          |  |                         |
| 27/06/2014 | Final act published in Official Journal                 |  |                         |

## Technical information

|   |   |
|---|---|
| <b>Procedure reference</b>                          | 2013/0377(COD)  |
| <b>Procedure type</b>                               | COD - Ordinary legislative procedure (ex-codecision procedure)  |
| <b>Procedure subtype</b>                            | Legislation   |
| <b>Legislative instrument</b>                       | Regulation  |
| <b>Amendments and repeals</b>                       | Amending Regulation (EU) No 525/2013 <a href="#">2011/0372(COD)</a>   |
| <b>Legal basis</b>                                  | Treaty on the Functioning of the European Union TFEU 192-p1   |
| <b>Other legal basis</b>                            | Rules of Procedure EP 165   |
| <b>Mandatory consultation of other institutions</b> | <a href="#">European Economic and Social Committee</a><br><a href="#">European Committee of the Regions</a> |
| <b>Stage reached in procedure</b>                   | Procedure completed   |
| <b>Committee dossier</b>                            | ENVI/7/14496  |

## Documentation gateway

## European Parliament

| Document type                  | Committee | Reference                 | Date       | Summary |
|--------------------------------|-----------|---------------------------|------------|---------|
| Committee draft report         |           | <a href="#">PE527.990</a> | 24/01/2014 |         |
| Amendments tabled in committee |           | <a href="#">PE529.767</a> | 17/02/2014 |         |

|   |  |                              |            |                         |
|---|--|------------------------------|------------|-------------------------|
| Committee report tabled for plenary, 1st reading/single reading |  | <a href="#">A7-0171/2014</a> | 13/03/2014 | <a href="#">Summary</a> |
| Text adopted by Parliament, 1st reading/single reading          |  | <a href="#">T7-0426/2014</a> | 16/04/2014 | <a href="#">Summary</a> |

#### Council of the EU

| Document type   | Reference                      | Date       | Summary |
|-----------------|--------------------------------|------------|---------|
| Draft final act | <a href="#">00076/2014/LEX</a> | 15/05/2014 |         |

#### European Commission

| Document type                                  | Reference  | Date       | Summary                 |
|--|--|------------|-------------------------|
| Legislative proposal                           | <a href="#">COM(2013)0769</a><br> | 06/11/2013 | <a href="#">Summary</a> |
| Commission response to text adopted in plenary | <a href="#">SP(2014)471</a>  | 09/07/2014 |                         |

#### National parliaments

| Document type | Parliament /Chamber           | Reference                     | Date       | Summary |
|---------------|-------------------------------|-------------------------------|------------|---------|
| Contribution  | <a href="#">IT_SENATE</a>     | <a href="#">COM(2013)0769</a> | 15/01/2014 |         |
| Contribution  | <a href="#">PT_PARLIAMENT</a> | <a href="#">COM(2013)0769</a> | 15/01/2014 |         |

#### Other institutions and bodies

| Institution/body | Document type                                  | Reference                    | Date       | Summary |
|------------------|--|------------------------------|------------|---------|
| EESC             | Economic and Social Committee: opinion, report | <a href="#">CES0178/2014</a> | 26/02/2014 |         |

#### Additional information

| Source               | Document                | Date |
|----------------------|-------------------------|------|
| National parliaments | <a href="#">IPEX</a>    |      |
| European Commission  | <a href="#">EUR-Lex</a> |      |

#### Final act

|  |                         |
|--|-------------------------|
| <a href="#">Regulation 2014/0662</a><br><a href="#">OJ L 189 27.06.2014, p. 0155</a> | <a href="#">Summary</a> |
|--|-------------------------|

## Kyoto Protocol to the United Nations Framework Convention on Climate Change: technical implementation

2013/0377(COD) - 06/11/2013 - Legislative proposal

PURPOSE: to ensure the technical implementation of the Kyoto Protocol after 2012.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the '**Doha Amendment**' to the Kyoto Protocol to the United Nations Framework Convention on Climate Change establishes a **second commitment period** of the Kyoto Protocol, starting on 1 January 2013 and ending on 31 December 2020.

The Kyoto Protocol's second commitment period will continue and enhance the existing comprehensive system of emissions accounting to ensure transparency of the performance of Parties and compliance with their obligations.

The implementation of the Kyoto Protocol after 2012 requires **a set of technical implementation rules** to be drawn up for the European Union, its Member States and Iceland. The recent Monitoring Mechanism Regulation does not contain the legal basis that would enable the Commission to adopt delegated acts relating to the implementation of rules on the second engagement period. Accordingly, it is necessary to amend [Regulation \(EU\) No 525/2013](#) to supply the legal basis required.

LEGAL BASIS: Article 192 (1) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: the proposal to amend Regulation (EU) N° 525/2013 aims to: (i) **establish coherent rules** to ensure the technical implementation of the Kyoto Protocol in the Union after 2012; (ii) enable the effective operation of the joint fulfilment of the commitments of the Union, its Member States and Iceland, and (iii) ensure its alignment with the operation of the EU's Emissions Trading System (ETS) and [Decision No 406/2009](#) ('the Effort Sharing Decision').

In order to do this, it is proposed to **delegate to the Commission the power to adopt non-legislative acts** (delegated acts) establishing rules on non-essential elements for the accounting of Kyoto units after 2012 in EU law.

These rules on technical implementation in the European Union will relate, in particular, to:

- **unit management processes** such as transactions of Kyoto units (issuance, transfer, acquisition, cancellation, retirement, carry-over, replacement or expiry date change) in and between the national registries of the European Union, Member States and Iceland;
- **accounting processes** related to the transition from the first to the second commitment period, including the carry-over of surplus AAs, CERs and ERUs from the first to the second commitment period;
- **the establishment and maintenance of a previous period surplus reserve** (PPSR) and a commitment period reserve (CPR) for each member of the joint fulfilment agreement;
- **the levy or 'share of proceeds'** applied to the issuance of ERUs and the first international transfer of AAs in the second commitment period.

This proposal is presented at the same time as the proposal for a [Council Decision](#) on the conclusion of the Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

BUDGETARY IMPLICATIONS: the proposal has no implications for the EU budget.

DELEGATED ACTS: the proposal contains provisions empowering the Commission to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the European Union.

## Kyoto Protocol to the United Nations Framework Convention on Climate Change: technical implementation

2013/0377(COD) - 13/03/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on the Environment, Public Health and Food Safety adopted the report by Vladimir URUTCHEV (PPE, BG) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 525/2013 as regards the technical implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

The committee recommended that the position of Parliament adopted in first reading following the ordinary legislative procedure should amend the Commission proposal. The amendments consist of new recitals regarding the following points:

**Net clearance exercise:** as for the unit management processes in the first commitment period of the Kyoto Protocol, the Commission should provide a periodic net clearance exercise whereby transfers of AAs are undertaken to reflect net transfers of Union allowances, including transfer of emission allowances with third countries participating in the EU ETS which are not part of the joint fulfilment agreement (e.g. Norway and Liechtenstein).

This issue should be dealt with in the delegated acts to be adopted in accordance to the Regulation.

**International rules not yet adopted:** the relevant international rules governing the accounting for emissions and progress towards achievement of commitments should be adopted at the next climate conference in Lima in December 2014.

Members stated that the Commission should work therefore with the Member States and third countries to help ensure **the formal adoption of the Kyoto Protocol accounting rules** at the Lima climate conference. The outcome of those rules should be reflected in the implementation of the Union registry and the delegated acts envisaged in the Regulation.

**EU's 2050 climate target:** as a result of significant reductions in greenhouse gas emissions in the Union, which were due to climate policies as well as economic circumstances, there would be a significant surplus of AAUs, CERs (certified emissions reductions) and ERUs on the Union and Member States accounts for the second Kyoto Protocol commitment period.

Pursuant to Decision 1/CMP.8, which required Parties to revisit, by 2014, their reduction commitments for the second commitment period, the Union and the Member States should **cancel a number of units to align with projected real emissions, and as a minimum with a cost-effective domestic emission trajectory** towards the achievement of the Union's 2050 climate target.

Lastly, the report specified that the Commission, when preparing and drawing up **delegated acts**, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

## Kyoto Protocol to the United Nations Framework Convention on Climate Change: technical implementation

2013/0377(COD) - 16/04/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 579 votes to 35, with 33 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 525/2013 as regards the technical implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC).

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of an agreement reached between the European Parliament and the Council. They amended the proposal as follows:

The European Parliament and the Council have introduced in Regulation (EU) No 525/2013 a legal basis that would enable the Commission to adopt the **necessary technical implementation rules for the second commitment period** of the Kyoto Protocol in accordance with the terms of the Doha Amendment, the decisions of the Conference of the Parties to the UNFCCC serving as the meeting of the Parties to the Kyoto Protocol and a joint fulfilment agreement.

'Joint fulfilment agreement' should mean the terms of an agreement concluded between the Union, its Member States and any third country to fulfil their commitments under the application of the Kyoto Protocol, for the second commitment period, jointly.

**Management of registries:** it is stipulated that the Union and the Member States should set up and manage party holding accounts, including a deposit account, and issue an amount of AAUs corresponding to their respective assigned amounts for the second commitment period of the Kyoto Protocol into those party holding accounts and to carry out the transfers pursuant to Decision 1/CMP.8 or other relevant decisions of the UNFCCC or Kyoto Protocol bodies and a joint fulfilment agreement.

To this effect, in their respective registers, the Union and each Member State should, inter alia:

- **account for** the issue, holding, transfer, acquisition, cancellation, retirement, replacement or change of expiry date of AAUs, RMUs, ERUs, CERs, tCERs and ICERs, as relevant, held in their respective registries for the second commitment period of the Kyoto Protocol;
- **establish and maintain a commitment period reserve;**
- **carry over** AAUs (Assigned Amount Units), CERs (Certified emission reductions) and ERUs (Emission reduction units) held in their respective registries **from the first to the second commitment period** of the Kyoto Protocol, and establish a previous period surplus reserve and manage AAUs held therein.

**Where a Member State is seriously disadvantaged** by a specific and exceptional situation, including accounting inconsistencies in matching the implementation of Union legislation with the rules agreed under the Kyoto Protocol, the Commission should, subject to the availability of units at the end of the second commitment period of the Kyoto Protocol, adopt measures to address that situation. For that purpose, the Commission should be empowered to adopt **implementing acts** to transfer CERs, ERUs or AAUs held in the Union registry to the registry of that Member State.

**Retiring from registries:** it is stated that the Union and the Member States should each, at the end of the second commitment period under the Kyoto Protocol, retire from their respective registries AAUs, RMUs, ERUs, CERs, tCERs or ICERs equivalent to the greenhouse gas emissions from sources and removals by sinks covered by their respective assigned amounts.

**Delegated acts:** in order to establish coherent rules to ensure the technical implementation of the second commitment period of the Kyoto Protocol in the Union, including the transition from the first to the second commitment period, the power to adopt delegated acts should be delegated to the Commission, from the date of conclusion by the Union of the Doha Amendment to the end of the additional period for fulfilling commitments under the second commitment period of the Kyoto Protocol.

In the delegated acts to be adopted in accordance with this Regulation, the Commission should provide for a **clearing process at the end of the second commitment period of the Kyoto Protocol**, whereby any net transfers of annual emission allocations in accordance with Decision No 406/2009/EC, and any net transfers of allowances with third countries participating in the EU ETS which are not part of a joint fulfilment agreement with the Union and its Member States, are followed by a transfer of a corresponding number of AAUs.

The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council. It should also avoid, to the extent possible, administrative burdens and costs, including those relating to share of proceeds and IT development and maintenance.

The power to adopt delegated acts should be conferred on the Commission for a period of **five years** from 8 July 2013.

## Kyoto Protocol to the United Nations Framework Convention on Climate Change: technical implementation

2013/0377(COD) - 15/05/2014 - Final act

PURPOSE: to ensure the technical implementation of the Kyoto Protocol in the European Union after 2012.

LEGISLATIVE ACT: Regulation (EU) No 662/2014 of the European Parliament and of the Council amending Regulation (EU) No 525/2013 as regards the technical implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

CONTENT: the new regulation amends the [Regulation \(EU\) No 525/2013](#) on a mechanism for monitoring and reporting greenhouse gas emissions. It provides the legal basis enabling the Commission to adopt the necessary technical implementation rules for the second commitment period of the Kyoto protocol in the EU.

These rules are necessary to enable the effective operation of the joint fulfilment of the commitments of the EU, its Member States and Iceland for the second commitment period, and to ensure the alignment of the technical implementation of the Kyoto protocol with the operation of the EU emissions trading scheme and the effort sharing decision ([Decision No 406/2009/EC](#)).

On 8 December 2012, the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) serving as the meeting of the Parties to the Kyoto Protocol, adopted the Doha Amendment, establishing a second commitment period of the Kyoto Protocol, **starting on 1 January 2013 and ending on 31 December 2020**.

**Establishment and management of registries:** the amended Regulation stipulates that the Union and the Member States should set up and manage party holding accounts, including a deposit account, and issue an amount of AAUs corresponding to their respective assigned amounts for the second commitment period of the Kyoto Protocol.

The Commission shall also be empowered to **adopt delegated** acts in order to:

- give effect, by means of the registries of the Union and of the Member States, to the necessary technical implementation of the Kyoto Protocol pursuant to Decision 1/CMP.8 or other relevant decisions of the UNFCCC or Kyoto Protocol bodies and a joint fulfilment agreement;
- ensure that any net transfers of annual emission allocations in accordance with Decision No 406/2009/EC and any net transfers of allowances with third countries participating in the scheme established for greenhouse gas emissions trading within the Union by Directive 2003/87/EC which are not parties to a joint fulfilment agreement, are followed by a transfer of a corresponding number of AAUs through a clearing process at the end of the second commitment period of the Kyoto Protocol;
- ensure that those transactions which are necessary to align the application of the limits established by decisions of the UNFCCC or Kyoto Protocol bodies on the carry-over of ERUs and CERs from the first to the second commitment period of the Kyoto Protocol with the implementation of Article 11a of Directive 2003/87/EC are performed.

**Where a Member State is seriously disadvantaged** by a specific and exceptional situation, including accounting inconsistencies in matching the implementation of Union legislation with the rules agreed under the Kyoto Protocol, the Commission should, subject to the availability of units at the end of the second commitment period of the Kyoto Protocol, adopt measures to address that situation. For that purpose, the Commission should be empowered to adopt **implementing acts** to transfer CERs, ERUs or AAUs held in the Union registry to the registry of that Member State.

**Retiring from registries:** the Regulation stipulates that the Union and the Member States should each, at the end of the second commitment period under the Kyoto Protocol, retire from their respective registries AAUs, RMUs, ERUs, CERs, tCERs or ICERs equivalent to the greenhouse gas emissions from sources and removals by sinks covered by their respective assigned amounts.

**Delegated powers:** in order to establish coherent rules to ensure the technical implementation of the second commitment period of the Kyoto Protocol in the Union, including the transition from the first to the second commitment period, powers are delegated to the Commission from the date of conclusion by the Union of the Doha Amendment to the end of the additional period for fulfilling commitments under the second commitment period of the Kyoto Protocol.

ENTRY INTO FORCE: 17.07.2014.