

**AD 38/11**

**LIMITE**

**CONF-HR 25**

**ACCESSION DOCUMENT**

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Subject: EUROPEAN UNION COMMON POSITION  
Chapter 35 - Other issues  
Item 8: Protocol on certain arrangements concerning a possible one-off transfer of  
Assigned Amount Units issued under the Kyoto Protocol to Croatia, as  
well as the related compensation

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## EUROPEAN UNION COMMON POSITION

### Chapter 35 – Other Issues

#### **Item 8: Protocol on certain arrangements concerning a possible one-off transfer of Assigned Amount Units issued under the Kyoto Protocol to Croatia, as well as the related compensation**

This position of the European Union is based on its general position for the Accession Conference with Croatia (CONF-HR 2/05), and is subject to the negotiating principles endorsed by the Conference (CONF-HR 5/05), in particular:

- any view expressed by either party on a chapter of the negotiations will in no way prejudice the position which may be taken on other chapters;
- agreements – even partial agreements – reached during the course of the negotiations on chapters to be examined successively may not be considered as final until an overall agreement has been established;

as well as to the requirements set out in points 13, 16 and 26 of the Negotiating Framework.

The EU underlines the importance for Croatia of compliance with the Stabilisation and Association Agreement as well as the Accession Partnership, which constitute basic elements of the pre-accession strategy.

The EU encourages Croatia to continue the process of alignment with the *acquis* and its effective implementation and enforcement, and in general to develop already before accession, policies and instruments as close as possible to those of the EU.

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**PROTOCOL ON CERTAIN ARRANGEMENTS CONCERNING A POSSIBLE ONE-OFF  
TRANSFER OF ASSIGNED AMOUNT UNITS ISSUED UNDER THE KYOTO  
PROTOCOL TO CROATIA, AS WELL AS THE RELATED COMPENSATION**

THE HIGH CONTRACTING PARTIES,

NOTING that in view of the specific historical circumstances that have affected Croatia, it has been agreed to express a readiness to provide assistance to Croatia through a one-off transfer of Assigned Amount Units issued under the Kyoto Protocol,

NOTING that any such transfer would only be made on a single occasion, would not set a precedent and would reflect the unique and exceptional nature of Croatia's situation,

STRESSING that any such transfer would have to be compensated for by Croatia through an adjustment of its obligations under Decision No 406/2009/EC so as to ensure environmental integrity by avoiding an increase in the total amount of allowed emissions of the EU and Croatia until 2020,

HAVE AGREED ON THE FOLLOWING PROVISIONS:

**PART I**  
**TRANSFER**

*Article 1*

This Part shall apply to measures relating to a possible one-off transfer of a quantity of Assigned Amount Units issued under the Kyoto Protocol (AAUs) to Croatia.

*Article 2*

No transfer shall take place unless Croatia has withdrawn its appeal against the decision of the enforcement branch of the Compliance Committee of the Kyoto Protocol in accordance with any relevant rules and time-limits governing the withdrawal of appeals, before the start of the UNFCCC Conference in Durban (28 November - 9 December 2011).

Any transfer shall be conditional upon the determination by the UNFCCC Expert Review Team, after the true-up period, that Croatia has fallen short of its commitments under Article 3 of the Kyoto Protocol.

No transfer shall take place unless Croatia has made all reasonable efforts to comply with its commitments under Article 3 of the Kyoto Protocol, including the full use of removal units from land use, land-use change and forestry.

### *Article 3*

Any decision on the transfer of AAUs shall be adopted in accordance with the examination procedure referred to in Article 5 of Regulation (EU) No 182/2011<sup>1</sup>. The Commission shall be assisted by the Climate Change Committee established by Article 9 of Decision No 280/2004/EC<sup>2</sup>. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. No such decision shall be adopted where no opinion is delivered.

The AAUs to be transferred shall be drawn from the quantity of AAUs referred to in Article 2 of Commission Decision 2006/944/EC<sup>3</sup>.

Any transfer shall not exceed a total quantity of seven million AAUs.

## **PART II COMPENSATION**

### *Article 4*

This Part shall apply to the compensation to be provided by Croatia in the event of a transfer of AAUs in accordance with the provisions of Part I.

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<sup>1</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

<sup>2</sup> 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 (OJ L 49, 19. 2.2004, p. 1).

<sup>3</sup> Commission Decision 2006/944/EC of 14 December 2006 determining the respective emission levels allocated to the Community and each of its Member States under the Kyoto Protocol pursuant to Council Decision 2002/358/EC (OJ L 358, 16.12.2006, p. 87). Amended by Commission decision 2010/778/EU of 15 December 2010 (OJ L 332, 16.12.2010, p. 41)

*Article 5*

1. Croatia shall compensate for any AAUs transferred to it through an adjustment, pursuant to this article, of its obligations under Decision No 406/2009/EC<sup>4</sup>.

In particular, the equivalent amount in tonnes of carbon dioxide equivalent of any AAUs transferred shall, pursuant to this article, be subtracted from Croatia's annual emission allocations once they have been determined pursuant to Article 3(2) of Decision 406/2009/EC.

2. The Commission shall publish the figures for Croatia's annual emission allocations resulting from the subtraction made in accordance with paragraph 1.

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Subject to Croatia's acceptance of the above considerations, the EU notes that, at this stage, the Protocol on certain arrangements concerning a possible one-off transfer of Assigned Amount Units issued under the Kyoto Protocol to Croatia, as well as the related compensation does not require further negotiations.

In view of all the above considerations, the EU will, if necessary, return to this chapter at an appropriate moment.

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<sup>4</sup> Decision No 406/2009/EC of the European Parliament and of the Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020 (OJ L 140, 5.6.2009, p. 136).