

**Guidance note on the certification of ERUs under Article 58(2)
of Regulation 389 / 2013 (Registry Regulation)**

Abbreviations

AIE	Accredited Independent Entity
CER	Certified Emission Reduction
ERU	Emission Reduction Unit
EU ETS	European Union Emission Trading System
Jl	Joint Implementation
UNFCCC	United Nations Framework Convention on Climate Change

This guidance note has been prepared by the Commission services to assist applicants in the preparation of the certification of Emission Reduction Units from JI Track 1 projects, so that they are eligible for use through exchange for an EU ETS allowance in phase 3 of the European Union Emissions Trading Scheme (EU ETS) in accordance with Directive 2003/87/EC (EU ETS Directive) and Regulation 389/2013 (Registry Regulation). This document is not legally binding, does not necessarily reflect the views of the European Commission, and should not be considered a legal interpretation of the provisions and requirements of the legislation.

Introduction

In accordance with Article 58(2) of the Registry Regulation, ERUs issued after 31 December 2012 in respect of emission reductions taking place up until 31 December 2012 from non-EU ETS Annex B Parties can only be held in ETS accounts in the Union Registry provided that the following conditions are met:

1. The amendment to the Kyoto Protocol including a commitment for such a Party has entered into force; or
2. The Party has deposited an instrument of ratification; or
3. The units are issued under JI Track 2; or
4. The date of reduction (pre-2013) is certified by an accredited independent entity (AIE), where track 2 issuance is not possible.

This guidance note contains the steps to be followed for the certification of specified ERUs with respect to condition 4 above, where the applicant needs to explain why track 2 issuance is not possible. According to the UNFCCC rules, a project participant may at any time apply to switch tracks¹. Therefore it is expected that units issued after the entry into force of the Regulation 389/2013 on 4 May 2013 are issued under track 2.

Use of the Certification

- In general this certification should be used only for track 1 ERUs issued by a non-EU Party between 1 January and 4 May 2013.
- For ERUs issued under track 1 after 4 May 2013, an explanation of why track 2 issuance was not possible must be provided in step x.

¹ Information on how to switch tracks can be obtained from the following document:
http://ji.unfccc.int/Sup_Committee/Meetings/027/Reports/Switch_Tracks.pdf

Procedures

1.1 Overview

1.1.1 Form

The applicant needs to complete the *Form for certification*. The form has been designed in MS Excel to allow it to be filled out electronically. Once completed, it should be submitted by email and as hard copy to the address listed in Section 4 of the form.

Note that the spreadsheet should be saved as an MS Excel file. Additional documents (such as determination report or relevant verification reports) should be provided through their respective internet links and not through electronic attachments. In any case, the size of the electronic application must not exceed 2MB.

Only the form should be provided as hard copy. It is not required to send documents (such as determination and verification reports) in printed version.

Note that the form will not be processed until all sections of the form are completed.

1.1.2 Language

The form is provided in English and in order to allow the quickest process possible, it should be completed in English. No request provided in languages which are not official languages of the EU will be processed.

1.1.3 Further Guidance

If, having read this guidance note and the form, the applicant feels that there are special circumstances that are not catered for in the form or the applicant is unclear as to how to proceed, please contact us by email at (CLIMA-CREDITS-INQUIRIES@ec.europa.eu).

1.2 Guidance on the Form

The form should be completed in a manner demonstrating that the conditions set out in Article 58(2) are fulfilled.

1.2.1 Section 1: Applicant Details

This should be the legal entity (person or body corporate) and not just the trading name or trading company.

Contact Name, telephone number and email address should be provided.

1.2.2 Section 2: Project Details

In this section, the project title should be provided along with the UNFCCC project identifier (ID), the party hosting the project, and the sectoral scope(s) of the project. The project details should be provided according to the project information on <http://ji.unfccc.int/>.

Web links (project section of <http://ji.unfccc.int/>) to the project's determination report and relevant verification reports should be given. If these reports are not available, equivalent documents according to host party track 1 procedures must be provided.

The following information should be provided for units issued under track 1 before 4 May 2013, that have been issued in respect of reductions taking place up until 31 December 2012 in accordance with information in the verification report (or host party equivalent under track 1 procedures) and information obtained from the Designated National Authority of the host party:

- If available, include details of the unit block start and unit block end² of emission reduction units issued.
- If the units are currently held in an EU Kyoto Protocol Registry or in an account in the Union Registry, include the registry account number(s) on which the units are being held.
- Date of issuance
- If issuance date is after 4 May 2013, provide an explanation as to why track 2 issuance was not possible.

² *These details will not be available for unit held in an EU registry account (EU KP Registry or Union Registry). ERU Block Start means the first number of the block of consecutive ERUs involved (for example: 124438631); ERU Block End means the last number of the block of consecutive ERUs involved (for example: 124452405).*

The **Quantity of ERUs** specified through the ERU Block Start – ERU Block End, or the quantity of units on the account(s) shall not exceed the quantity of units stated in the respective verification report (or host party equivalent under Track 1 procedures).

1.2.3 Section 3: Certification by Accredited Independent Entity

The entity certifying the statements under Section 3 of the application form needs to be an Accredited Independent Entity (AIE)³.

Section 3.1: Accredited Independent Entity

In this section, the AIE's name, its UNFCCC reference number, and accredited sectoral scopes should be provided. The sectoral scope of the project stated in Section 2 must be an accredited sectoral scope of the AIE.

Section 3.2: Certification Letter

In this section, the AIE needs to certify the following:

1. Issuance date as given in Section 2 above;
2. Emission Reduction Units as specified in Section 2 of the application form have been issued in respect of the project's emission reductions taking place up until 31 December 2012 in accordance with information in the verification report (or host country equivalent under Track 1 procedures) and information obtained from the Designated National Authority of the host party.
3. The information given in Sections 2 and 3 of the application form is truthful, accurate and complete.

1.2.4 Section 4: Instructions for submission

Applicants must submit an electronic copy plus one signed and stamped hard copy of the completed form.

By email:

CLIMA-CREDITS-INQUIRIES@ec.europa.eu

By Post:

FAO: Laurence Graff (ext. 60518)
DG CLIMA - Central Administrator
Avenue de Beaulieu 24
Brussels, 1160

³ Accredited pursuant to Decision 9/CMP.1

1.3 Assessment of the Eligibility of the ERUs

After the receipt of a complete form in accordance with this Guidance Note demonstrating that conditions set out in Article 58(2) of the Registry Regulation are fulfilled, the Central Administrator will inform the applicant that the units are eligible in the EU ETS and can be transferred and held in ETS accounts in the Union Registry and used in the EU ETS. The units will then be marked as *eligible* in the Union Registry.