

**EXPLANATORY MEMORANDUM ON THE AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND ICELAND, OF THE OTHER PART, CONCERNING ICELAND'S PARTICIPATION IN THE JOINT FULFILMENT OF THE COMMITMENTS OF THE EUROPEAN UNION, ITS MEMBER STATES AND ICELAND FOR THE SECOND COMMITMENT PERIOD OF THE KYOTO PROTOCOL TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE**

**Title of the Treaty**

AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND ICELAND, OF THE OTHER PART, CONCERNING ICELAND'S PARTICIPATION IN THE JOINT FULFILMENT OF THE COMMITMENTS OF THE EUROPEAN UNION, ITS MEMBER STATES AND ICELAND FOR THE SECOND COMMITMENT PERIOD OF THE KYOTO PROTOCOL TO THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

**Command Paper Number: 9076**

**Subject Matter**

1. This Explanatory Memorandum refers to the proposed ratification by the United Kingdom of the Agreement between the European Union and its Member States, of the one part, and Iceland, of the other part, concerning Iceland's participation in the joint fulfilment of the commitments of the European Union, its Member States and Iceland for the second commitment period of the Kyoto Protocol to the United Nations Framework Convention on Climate Change ("UNFCCC").
2. In December 2012, at the Doha Climate Change Conference, the 192 Parties to the Kyoto Protocol ("KP") adopted an amendment to the KP ("the Doha Amendment")<sup>1</sup>. This amendment extends the KP regime into a new commitment period, to run from 2013 until 2020. The EU and each of its Member States confirmed at Doha, through the provision of written consent, that they will participate in the new, second commitment period of the KP and will take mitigation commitments under it. Furthermore, the EU and its Member States made a political declaration that they will fulfil their commitments for the second commitment period jointly under Article 4 of the KP (as they did for the first commitment period) with the addition of Iceland, and that they will ratify at the same time.
3. The intention to jointly fulfil the commitments in the second commitment period of the Kyoto Protocol with the European Union, its Member States and Iceland dates back to 2009. In a letter to the Presidency of the Council of the European

---

<sup>1</sup> Decision 1/CMP.8, adopted by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, FCCC/KP/CMP/2012/13/Add.1

Union dated 3 June 2009, Iceland requested formal talks on announcing a joint fulfilment of their commitments with the European Union and its Member States in a second commitment period of the Kyoto Protocol.

4. In December 2013, the Council gave the Commission a mandate to open, on behalf of the Union, negotiations with Iceland on an agreement that establishes the terms of joint fulfilment concerning Iceland's participation in the joint fulfilment of commitments by the Union, the Member States and Iceland. These negotiations were conducted, in line with the negotiating directives issued by the Council, on the basis of Article 218 of the Treaty on the Functioning of the European Union. The representatives of the Member States in the Council also gave a mandate to the Commission to negotiate this agreement, on behalf of the Member States, with regard to areas falling in the competence of Member States.
5. The agreement with Iceland sets out the terms governing Iceland's participation in the joint fulfilment of commitments by the Union, its Member States and Iceland. It does not establish any obligations for the Union or its Member States. The agreement with Iceland is a mixed agreement, so both the Union and each of its Member States will be parties to it.
6. Iceland will participate in the joint fulfilment on the same basis as the Member States. Iceland's emission level, identical to its assigned amount, will relate to Iceland's emissions from gases and sectors covered under the Kyoto Protocol's second commitment period but that are not covered under the EU's greenhouse gas emissions trading system (Directive 2003/87/EC7).
7. To ensure that Iceland's obligations in the joint fulfilment are laid down and applied in a non-discriminatory manner, treating Iceland and Member States alike, the emission level for Iceland was determined in a way that is consistent both with the quantified emissions reduction commitment inscribed in the third column of Annex B to the Kyoto Protocol (as amended by the Doha Amendment) and with EU legislation, including the 2009 Climate and Energy Package and the principles and criteria upon which objectives in that legislation are based
8. The agreement with Iceland, in its Annex II, contains the same terms of joint fulfilment that are also laid down in an annex to the Council Decision on the conclusion of the Doha Amendment to the Kyoto Protocol to the UNFCCC and the joint fulfilment of commitments thereunder.

### **Ministerial Responsibility**

9. The responsibility lies with the Secretary of State for Energy and Climate Change.

### **Policy Considerations**

#### **(i) General**

10. The Union and the UK have taken a leading role in calling for action to tackle climate change. In exchange for progress on a new global legally binding deal covering all Parties to the UNFCCC, the Union and its Member States agreed the Doha Amendment, running from 2013 until 2020, when the new agreement is due to come into effect. The timely ratification of the Doha Amendment and the Iceland Treaty by the Union and its Member States, well in advance of the international negotiations on a new global legally binding deal taking place in December 2015, is therefore crucial to show that we are fulfilling our part of the deal, and to successfully deliver the new global agreement.
11. The agreement with Iceland imposes no new burdens on Member States; the joint fulfilment agreement with Iceland translates efforts agreed under the EU 2020 Climate and Energy Package into the Kyoto Protocol, and is in line with the way the Union and the fifteen Parties that were Member States when the KP was signed in 1997 ratified the first commitment period of the KP (with the addition of Iceland as a member of the joint fulfilment agreement).
12. The terms for joint fulfilment laid out in the agreement with Iceland are in line with the UK position, as agreed via an EAC write-round process.

#### **(ii) Financial**

13. There are no financial implications. The Council Decisions and the Iceland Agreement do not impose any obligations beyond the existing EU Climate and Energy Package.

#### **(iii) Reservations and Declarations**

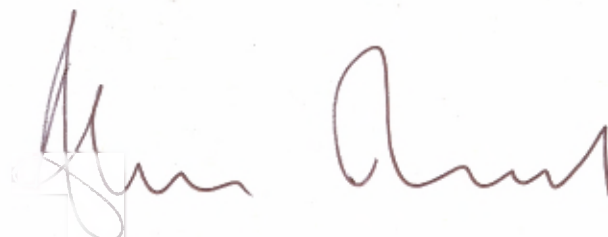
14. None

#### **Implementation**

15. The Iceland Agreement will enter into force on the ninetieth day after the date on which all Parties have deposited their instrument of ratification.
16. The EU and each of the Member States are Parties to the UNFCCC and the KP. A separate Command Paper number 9077 and accompanying Explanatory Memorandum has been laid before Parliament on the Doha Amendment to the KP, which the UK must also ratify to take part in the second commitment period of the KP.
17. The overall package of ratification measures, including the joint fulfilment agreement with Iceland, is based upon existing EU legislation (the Climate and Energy package). It will not therefore require further UK legislation for the purposes of implementation.

#### **Consultations**

18. The Government consulted key environmental and business interests, the devolved administrations, UK Overseas Territories and Crown Dependencies before the agreement of the Doha Amendment to the Kyoto Protocol. However, no further separate consultations were conducted on the Iceland Treaty as the treaty does not change the terms of the UK's participation in the Doha Amendment.

A handwritten signature in red ink, appearing to read 'Amber Rudd', is positioned above the typed name. The signature is fluid and cursive.

THE RT HON AMBER RUDD MP  
SECRETARY OF STATE  
DEPARTMENT OF ENERGY & CLIMATE CHANGE