

Dear participants/aircraft operators,

The EU Emissions Trading System, which started on 1 January 2005, covered in the past only energy-intensive industrial installations – more than 10,000 of them across Europe, which are collectively responsible for nearly half of total EU CO₂ emissions. Following the EU legislation adopted in 2009, air operators are also covered from 1 January 2012.

Like industrial installations, airlines will receive on the basis of their aviation activities in a determined monitoring year, receive free tradeable allowances giving them a right to emit a certain level of CO₂ emissions from their flights per year.

The existence of a market in which these allowances can be traded enables operators to manage their emissions cost-effectively. If their actual emissions are lower than their allowances received for free, they can sell their surplus allowances on the market or else "bank" them to cover future emissions. If they anticipate that their emissions will exceed their free allowances, they can either take measures to reduce their emissions -for instance by investing in more efficient technologies or operational practices- or they can buy additional emission allowances on the market, whichever is cheaper. Thus, for example, airlines may be able to buy allowances from industrial installations that have reduced their emissions.

From the start of 2012, emissions from all domestic and international flights that arrive at or depart from an EEA airport will be covered by the EU Emissions Trading System. It implies that in addition to the 27 EU Member States, the EU ETS for aviation also applies to the three EEA-EFTA States (Iceland, Liechtenstein and Norway). It will extend to Croatia by 1 January 2014 after the country's planned accession to the EU on 1 July 2013. It will then cover 31 countries.

Aircraft operators covered by the EU Emissions Trading System (EU ETS) are attributed for administrative purposes to the administering Member State. Aircraft operators are to submit to their competent authority a monitoring plan, according to which they will monitor and later report their emissions during the year.

The emissions data in the annual emissions report must be verified by the 31st of March each year by an accredited verification body. By 30th of April each year, aircraft operators must surrender a number of allowances equivalent to the total emissions during the preceding calendar year. Common rules for the accreditation of verifiers and the verification of annual emissions report are important for improving the quality of verification of annual reporting.

RENA (Regional Environmental Network for Accession) is financed by the EU and managed by the European Commission, and assists the beneficiaries (Albania, Bosnia and Herzegovina, Croatia, Kosovo under UN Council Resolution 1244/99, the FYR of Macedonia, Montenegro, Serbia and Turkey) in exchange of information and experience related to preparation for accession. Through RENA the Commission promotes and facilitates enhanced regional cooperation in the Western Balkans and Turkey in the field of environment in the prospect of EU accession.

The activities of RENA are being implemented through the activities of the following four working groups:

- Strategic Investments and Planning – (Working Group 1)
- Climate Change – (Working Group 2)
- Cross Border Cooperation and Multilateral Agreements – (Working Group 3)
- Environmental Compliance and Enforcement Network for Accession (ECENA) – (Working Group 4)

The Secretariat of RENA is established in Vienna and is managed by a consortium lead by Human Dynamics.

The climate activities under RENA (Working Group 2) have been launched during the RENA Climate Working Group meeting in Zagreb in February 2011 (www.renanetwork.org). In 2011 already seven regional events have been held that should facilitate the EU Candidate Countries and the Potential Candidates to align with the EU climate policy and legislation.

On **Wednesday 28 September 2011** a National RENA workshop on "Inclusion of Croatia into the aviation sector of the EU Emissions Trading Scheme ", will be held in Zagreb in the **Westin Hotel starting at 9.00**. The proposed agenda for the workshop is attached in **Annex** to this letter.

The key objective is to provide an overview of how and when Croatia will be included in the aviation sector of the EU ETS and what is required from the Airline Operators to comply.

The target group for this event are Croatian officials of the relevant climate departments of the Ministries and involved authorities, as well as the aviation sector in Croatia.

We kindly ask you to nominate up to three experts from your organisation for this important meeting. The participation is free of charge.

Please inform our RENA secretariat by email in Vienna on your participation not later than 23 September 2011.

**RENA Secretariat, Vienna
Attn Ruza Radovic
Email: ruza.radovic@humandynamics.org**

We are looking forward to meet your experts in **Zagreb** on **28 September 2011**.

Yours sincerely

Imre Csikós

Climate Component (Working Group 2)
Cross Border Nature Component (Working Group 3 – Nature)



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Enclosed:

Annex. Agenda

DRAFT AGENDA

Regional Environmental Network for Accession - Working Group 2 Climate Change

National Workshop on the inclusion of Croatia into the aviation sector of the Emission Trading Scheme

Place: Zagreb, Hotel Westin, Izidora Kršnjavoga 1, Zagreb 10000, Croatia

Date/Time: 9.00 – 17.00, Wednesday 28 September,

DAY 1

- 9:00 *Welcome coffee*
- 9:15 – 9:45 **Welcome and introduction**
Mr. Chris Dekkers, Chairman and Facilitator
WG Coordinator of Host country
Introduction of participants
Objectives of the meeting
Approval of the agenda
- 9:45 – 10.00 **General description of RENA Network and status of project implementation**
Introduction by Imre Csikós
- 10:00 – 11.15 **General introduction to the Main EU ETS and aviation legislation**
By Yolanda Villar Ruberte, DG Climate Action, International carbon market, aviation and maritime sector
- *Directive 2008/101/EC (inclusion of aviation in the ETS)*
 - *Implementing legislation (Com Decision 2011/149/EU; Com Regulation No. 82/2010; Com Decision 2009/450/EC; Com Decision 2009/339/EEC)*
 - *Extension of the EU ETS to the EEA (EEA-wide figure on historical aviation emissions; list of aircraft operators to the extension of the EU ETS; Com Regulation 394/2011)*
 - *Likely consequences for extending EU ETS to aviation in Croatia*
- 11:15 – 11:30 *Coffee break*
- 11:30 – 12:15 **Experience in Croatia with the implementation of the inclusion of aviation into the ETS**
By Visnja Grgasovic
- *Explanation of Croatia experiences with implementation*
 - *Enforcement and compliance issues*

- 12:15 – 13:15 **How to ensure that AOs comply with the EU ETS requirements**
By *Saviour Vassallo*
- *Explanation of the cooperation with Eurocontrol*
 - *Outline of the ETS Support Facility developed by Eurocontrol and how it is being used to ensure compliance*
 - *Basic steps in the compliance and verification process*
 - *Aviation specific monitoring and reporting issues*
 - *Dealing with the small non-commercial aircraft operators*
- 13:15 – 14:15 *Lunch*
- 14:15 – 15:30 **Monitoring and Reporting**
By *Ana Daam (PM)*
- *Explaining the legal , institutional and procedural requirements for the Competent Authorities*
 - *Templates used for the monitoring plans and the emission and Tonne Kilometres reporting*
 - *Step by step explanation of requirements and formats used for the MPs and the TK and emission reports*
 - *Guidance material for monitoring and reporting*
 - *Small emitter's tool*
- 15:30 – 16:00 **Experiences in UK with the implementation of EU ETS in the Aviation Sector**
By *Mark Sinton*
- *Explanation of MS experiences with implementation*
 - *Enforcement and compliance issues*
- 16:00 – 16:30 **Experiences in Malta with the implementation of EU ETS in the aviation sector**
By *Saviour Vassallo*
- *Explanation of MS experiences with implementation*
 - *Enforcement and compliance issues*
- 16:30 – 16:45 *Tea break*
- 16:45 – 17:15 **Experience in Hungary with the implementation of EU ETS in the aviation sector**
By *Jozsef Feiler*
- *Explanation of MS experiences with implementation*
 - *Enforcement and compliance issues*
- 17:15 – 17:45 **Wrap-up of the day**
By *Yolanda Villar Ruberte*