



Framework Convention on Climate Change

Distr.: General
5 November 2010

English only

Subsidiary Body for Scientific and Technological Advice

Thirty-third session

Cancun, 30 November to 4 December 2010

Item 7 (e) of the provisional agenda

Methodological issues under the Kyoto Protocol

Annual report on the technical review of greenhouse gas inventories and other information reported by Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol under Article 7, paragraph 1, of the Kyoto Protocol

Annual report on the technical review of greenhouse gas inventories and other information reported by Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol under Article 7, paragraph 1, of the Kyoto Protocol

Note by the secretariat

Summary

This document provides information on the status of submission and review of the annual information required under Article 7, paragraph 1, of the Kyoto Protocol, including the greenhouse gas inventories, and the status of submission of the review reports to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Compliance Committee in 2010. It also provides information on the selection of experts and lead reviewers and their participation in the review process, and recommendations from the lead reviewers on how to improve this process. In addition, it provides information regarding the information submitted in accordance with decision 15/CMP.1 on Article 3, paragraph 14, and information submitted in accordance with decision 14/CP.7.

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Introduction.....	1–11	3
A. Mandate.....	1–4	3
B. Background	5–8	3
C. Scope of the note	9–10	4
D. Possible action by the Subsidiary Body for Scientific and Technological Advice	11	5
II. Submission and review of annual reports	12–15	5
III. Expert review teams and lead reviewers	16–26	9
IV. Annual report of inventory lead reviewers.....	27–80	12
A. Procedural issues, including actions by the secretariat.....	30–55	13
B. Methodological, technical and other issues, including actions by lead reviewers and expert review teams.....	56–80	17
V. Other matters relating to the annual reviews.....	81–85	21
A. Compilation of information submitted by Parties on the minimization of adverse impacts in accordance with Article 3, paragraph 14.....	81–82	21
B. Information regarding the information submitted by Parties in accordance with decision 14/CP.7.....	83–85	21

I. Introduction

A. Mandate

1. In accordance with decision 15/CMP.1, each Party included in Annex I to the Convention that is also Party to the Kyoto Protocol (Party included in Annex I) shall start reporting the information under Article 7, paragraph 1, of the Kyoto Protocol with the inventory submission due under the Convention for the first year of the commitment period after the Protocol has entered into force for that Party.
2. The annual review of this information should start in the year that the Party commences reporting information under Article 7, paragraph 1, in accordance with decision 22/CMP.1.
3. In accordance with the same decision, the secretariat shall prepare an annual report to the Subsidiary Body for Scientific and Technological Advice (SBSTA) on the composition of the expert review teams (ERTs), including the selection of experts for the review teams and the lead reviewers (LRs).¹ The LR collectively shall prepare an annual report to the SBSTA with suggestions on how to improve the review process and advise on the standardized data comparisons of inventory information to be conducted by the secretariat based on the electronic common reporting format submissions to be used in the review process.²
4. In accordance with decisions 15/CMP.1 and 14/CP.7, the secretariat should compile information submitted by Parties on the minimization of adverse impacts in accordance with Article 3, paragraph 14, and on relevant emission factors related to the impact of single projects.

B. Background

5. At its thirtieth session,³ the Subsidiary Body for Implementation (SBI) requested the secretariat to facilitate the work of the LR, including organizing their annual meetings. The SBI re-emphasized the urgent need to strengthen the secretariat's capacity to manage the reporting and review processes, including the training for members of ERTs participating in annual reviews under Article 8 of the Kyoto Protocol, planning and conducting the reviews, organizing the LR's meetings and the further development of the greenhouse gas (GHG) information system, and to prioritize these fundamental activities.⁴
6. At its thirty-first session, the SBI took note of the information contained in document FCCC/SBI/2009/INF.8 on the status of submissions by Parties included in Annex I of the initial reports under the Kyoto Protocol pursuant to decision 13/CMP.1, the status of reviews of these reports undertaken during 2007, 2008 and 2009, the status of submission, on a voluntary basis, of the annual information required under Article 7, paragraph 1, and the status of reviews of this information in conjunction with the review of the GHG inventories in 2009.⁵
7. As at October 2010, 39 Parties included in Annex I had submitted their initial reports under the Kyoto Protocol in accordance with decision 13/CMP.1 and the secretariat

¹ Decision 22/CMP.1, annex, paragraph 35.

² Decision 22/CMP.1, annex, paragraph 40.

³ FCCC/SBI/2009/8, paragraph 86(a).

⁴ FCCC/SBI/2009/8, paragraph 85.

⁵ FCCC/SBI/2009/15, paragraph 79.

had organized reviews of the initial reports in accordance with the “Guidelines for review under Article 8 of the Kyoto Protocol” (hereinafter referred to as the Article 8 review guidelines). The 38 reports of reviews conducted up to 1 November 2010 were published and forwarded by the secretariat to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), the Compliance Committee and the Party concerned.⁶ The review reports published so far, with three exceptions, do not contain questions of implementation because the Parties have been able to resolve potential problems during the review process. As reflected in its second,⁷ third⁸ and fourth⁹ annual reports to the CMP, the Compliance Committee, through its enforcement branch, took note of the review reports, that were forwarded in 2007, 2008 and 2009. The enforcement branch considered the questions of implementation contained in one of the review reports during its meetings in March,¹⁰ April¹¹ and October¹² 2008; the question of implementation in another review report was considered during its meeting in June¹³ 2008; and the questions of implementation in the last review report during its meetings in October¹⁴ and November¹⁵ 2009.

8. As at 1 November 2010, 36 Parties included in Annex I were eligible to participate in the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol. At its meeting in November 2009 the enforcement branch determined that Croatia is not eligible to participate in the Kyoto Protocol mechanisms pending the resolution of two questions of implementation. In addition, the eligibility of Bulgaria, which was established when the 16 months since the submission of its initial report had elapsed, was subsequently suspended in June 2010.¹⁶

C. Scope of the note

9. This document provides information on the status of submission of the annual information required from Parties included in Annex I under Article 7, paragraph 1, of the Kyoto Protocol; the review of this information, including the GHG inventories of these Parties; and the status of submission of the review reports to the CMP and the Compliance

⁶ Belarus, which is an Annex I Party to the Kyoto Protocol also submitted its initial report. However, since the amendment of Annex B to the Kyoto Protocol to include Belarus with a quantified emission reduction commitment for the first commitment period of 92 per cent adopted by the CMP (decision 10/CMP.2) has not yet entered into force, in accordance with the conclusions adopted by the CMP at its third session (FCCC/KP/CMP/2007/9, paragraph 159), the review of Belarus’ initial report is expected to be scheduled closer to the date when the relevant amendment to the Kyoto Protocol has been accepted by enough Parties to allow it to enter into force.

⁷ FCCC/KP/CMP/2007/6, paragraph 25.

⁸ FCCC/KP/CMP/2008/5, paragraph 16.

⁹ FCCC/KP/CMP/2009/17, paragraphs 16 and 19.

¹⁰ <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-3-2008-2_report_on_the_3rd_meeting_of_the_eb.pdf>.

¹¹ <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-4-2008-2_report_on_the_4th_meeting_of_the_eb.pdf>.

¹² <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-6-2008-3_report_on_the_6th_mtg_of_the_eb.pdf>.

¹³ <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-5-2008-2_report_on_the_5th_meeting_of_the_eb.pdf>.

¹⁴ <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-7-2009-2_report_on_the_7th_meeting_of_the_eb.pdf>.

¹⁵ <http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-8-2009-2_report_on_the_8th_meeting_of_the_eb.pdf>.

¹⁶ <http://unfccc.int/files/kyoto_protocol/compliance/questions_of_implementation/application/pdf/cc-2010-1-8-bulgaria-eb_final_decision.pdf>.

Committee in 2010 (see chapter II below). It also provides information on the selection of experts and LRs for the review process and their participation in this process (see chapter III below) and recommendations from the LRs on how to improve the review process (see chapter IV below).¹⁷ The document further provides information regarding the information on minimization of adverse impacts in accordance with Article 3, paragraph 14, as required by decision 15/CMP.1 and information submitted by Parties in accordance with decision 14/CP.7 (see chapter V below).

10. In accordance with the Article 8 review guidelines, the review under the Kyoto Protocol encompasses the existing review under the Convention. The lessons learned and problems encountered in the review process in 2010 under the Convention and that under the Kyoto Protocol have many common elements. This document focuses on the elements of the review process that are specific to the Kyoto Protocol and should be read in conjunction with the “Annual report on the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention”¹⁸ prepared in accordance with decision 12/CP.9.

D. Possible action by the Subsidiary Body for Scientific and Technological Advice

11. The SBSTA will be invited to take note of the information contained in this document.

II. Submission and review of annual reports

12. In 2010 the secretariat received 41 annual submissions from Parties included in Annex I (see table 1). Thirty-eight of these submissions, containing information required under Article 7, paragraph 1, of the Kyoto Protocol, including information on GHG inventories, have been made by Parties in accordance with decision 15/CMP.1 for the first year of the commitment period. Status reports for all 41 submissions had been prepared, published on the UNFCCC website¹⁹ and 38 of them forwarded to the Compliance Committee by June 2010. The secretariat is coordinating 41 reviews of these submissions, for 38 of them following the requirements established under the Article 8 review guidelines. Ten of the individual reviews of these submissions, those of Australia, Bulgaria, Denmark, France, Germany, Hungary, Kazakhstan, New Zealand, the Russian Federation and Switzerland, were conducted as in-country reviews between 16 August and 9 October and the rest were conducted as centralized reviews. Altogether, eight centralized reviews were organized between 30 August and 25 September 2010 in Bonn, Germany. The reports from these reviews are expected to be finalized and published in February to March 2011.

¹⁷ <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/con_rec7.pdf>.

¹⁸ FCCC/SBSTA/2010/INF.8.

¹⁹ <http://unfccc.int/national_reports/annex_i_ghg_inventories/inventory_review_reports/items/5688.php>.

Table 1

Submission of annual information required under the Kyoto Protocol in 2010, review dates and status of review reports

<i>Party included in Annex I</i>	<i>NIR and CRF submission dates</i>	<i>Language of NIR</i>	<i>Status report symbol</i>	<i>Review dates</i>	<i>Status of review report</i>
Australia	NIR – 26 May 2010 CRF – 26 May 2010	English	FCCC/ASR/2010/AUS	23–28 Aug. 2010	In preparation
Austria	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/AUT	30 Aug. to 4 Sep. 2010	In preparation
Belarus ^a	NIR – 15 Apr. 2010 CRF – 8 Apr. 2010	Russian	FCCC/ASR/2010/BLR	30 Aug. to 4 Sep. 2010	In preparation
Belgium	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/BEL	6–11 Sep. 2010	In preparation
Bulgaria	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/BGR	4–9 Oct. 2010	In preparation
Canada	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/CAN	30 Aug. to 4 Sep. 2010	In preparation
Croatia	NIR – 15 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/HRV	30 Aug. to 4 Sep. 2010	In preparation
Czech Republic	NIR – 14 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/CZE	6–11 Sep. 2010	In preparation
Denmark	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/DNK	6–11 Sep. 2010	In preparation
Estonia	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/EST	13–18 Sep. 2010	In preparation
European Union	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/EU	20–25 Sep. 2010	In preparation
Finland	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/FIN	13–18 Sep. 2010	In preparation
France	NIR – 12 Apr. 2010 CRF – 12 Apr. 2010	French	FCCC/ASR/2010/FRA	13–18 Sep. 2010	In preparation
Germany	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/DEU	20–25 Sep. 2010	In preparation
Greece	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/GRC	13–18 Sep. 2010	In preparation
Hungary	NIR – 26 May 2010 CRF – 25 May 2010	English	FCCC/ASR/2010/HUN	20–25 Sep. 2010	In preparation
Iceland	NIR – 27 May 10 CRF – 23 Apr. 10	English	FCCC/ASR/2010/ISL	6–11 Sep. 2010	In preparation
Ireland	NIR – 14 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/IRL	20–25 Sep. 2010	In preparation

<i>Party included in Annex I</i>	<i>NIR and CRF submission dates</i>	<i>Language of NIR</i>	<i>Status report symbol</i>	<i>Review dates</i>	<i>Status of review report</i>
Italy	NIR – 15 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/ITA	30 Aug. to 4 Sep. 2010	In preparation
Japan	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/JPN	30 Aug. to 4 Sep. 2010	In preparation
Kazakhstan ^b	NIR – 25 May 2010 CRF – 9 Apr. 2010	English	FCCC/ASR/2010/KAZ	16–21 Aug. 2010	In preparation
Latvia	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/LVA	13–18 Sep. 2010	In preparation
Liechtenstein	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/LIE	30 Aug. to 4 Sep. 2010	In preparation
Lithuania	NIR – 14 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/LTU	20–25 Sep. 2010	In preparation
Luxembourg	NIR – 27 May 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/LUX	6–11 Sep. 2010	In preparation
Monaco	NIR – 30 Mar. 2010 CRF – 23 Mar. 2010	French	FCCC/ASR/2010/MCO	13–18 Sep. 2010	In preparation
Netherlands	NIR – 15 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/NLD	6–11 Sep. 2010	In preparation
New Zealand	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/NZL	30 Aug. to 4 Sep. 2010	In preparation
Norway	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/NOR	20–25 Sep. 2010	In preparation
Poland	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/POL	6–11 Sep. 2010	In preparation
Portugal	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/PRT	6–11 Sep. 2010	In preparation
Romania	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/ROU	20–25 Sep. 2010	In preparation
Russian Federation	NIR – 25 May 2010 CRF – 15 Apr. 2010	Russian	FCCC/ASR/2010/RUS	27 Sep. to 2 Oct. 2010	In preparation
Slovakia	NIR – 15 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/SVK	13–18 Sep. 2010	In preparation
Slovenia	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/SVN	13–18 Sep. 2010	In preparation
Spain	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	Spanish and English	FCCC/ASR/2010/ESP	20–25 Sep. 2010	In preparation
Sweden	NIR – 14 Apr. 2010 CRF – 14 Apr. 2010	English	FCCC/ASR/2010/SWE	6–11 Sep. 2010	In preparation
Switzerland	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/CHE	6–11 Sep. 2010	In preparation

<i>Party included in Annex I</i>	<i>NIR and CRF submission dates</i>	<i>Language of NIR</i>	<i>Status report symbol</i>	<i>Review dates</i>	<i>Status of review report</i>
Turkey ^c	NIR – 13 Apr. 2010 CRF – 13 Apr. 2010	English	FCCC/ASR/2010/TUR	20–25 Sep. 2010	In preparation
Ukraine	NIR – 12 Apr. 2010 CRF – 13 Apr. 2010	Russian	FCCC/ASR/2010/UKR	30 Aug to 4 Sep. 2010	In preparation
United Kingdom of Great Britain and Northern Ireland	NIR – 15 Apr. 2010 CRF – 15 Apr. 2010	English	FCCC/ASR/2010/GBR	13–18 Sep. 2010	In preparation

Abbreviations: CRF = common reporting format, NIR = national inventory report.

^a Belarus is a Party to the Kyoto Protocol and its quantified emission reduction commitment in Annex B (92 per cent) was established through an amendment to Annex B to the Kyoto Protocol (decision 10/CMP.2). As at 1 November 2010, this amendment had not yet been ratified by enough Parties to allow its entry into force. Belarus indicated that its 2010 annual submission is made under the Convention.

^b Kazakhstan, a Party included in Annex I for the purposes of the Kyoto Protocol, does not have a commitment inscribed in Annex B to the Kyoto Protocol. Kazakhstan indicated that its 2010 annual submission is made under the Kyoto Protocol.

^c Turkey, a Party included in Annex I, does not have a commitment inscribed in Annex B to the Kyoto Protocol. Turkey indicated that its 2010 annual submission is made under both the Convention and the Kyoto Protocol.

13. The review of the annual submissions of the information required under Article 7, paragraph 1, of the Kyoto Protocol is more complex than the review of the annual GHG inventories under the Convention, because of the additional elements under review that are mostly new to the experts. These include: emissions and removals from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, their accounting and additional information on these activities; information on accounting of Kyoto Protocol units reported in the standard electronic format and reports from the national registry; changes to the national systems; changes to the national registries; information on minimization of adverse impacts in accordance with Article 3, paragraph 14, of the Kyoto Protocol; and calculation of the commitment period reserve. This puts additional pressure on the ERTs, as the amount of information to review and the expertise needed are greater than in the reviews under the Convention and the reviews of the initial reports.

14. In addition, 2010 is the first year for the mandatory annual submission under the Kyoto Protocol. Therefore, the ERTs have a mandate, in accordance with the Article 8 review guidelines, to identify potential problems for the first year of the commitment period pertaining to language of a mandatory nature for the national systems, national registries, information on activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, and regarding problems arising as a failure to follow agreed guidelines under Article 5, paragraph 2, of the Kyoto Protocol in preparing GHG inventories – that is, emission/removal estimates that are not in line with the requirements in the Revised 1996 IPCC Guidelines²⁰ as elaborated by the Intergovernmental Panel on Climate Change (IPCC) good practice guidance²¹ and the IPCC good practice guidance for LULUCF²² or those

²⁰ *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories.*

²¹ *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories.*

²² *Good Practice Guidance for Land Use, Land-Use Change and Forestry.*

estimates that were not reported at all. This is of particular importance for estimates of GHG emissions by sources and removals by sinks resulting from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol reported by the Parties included in Annex I that account these activities annually.

15. In some cases, the number and complex nature of the identified potential problems may make the provision of revised estimates and/or additional information an intensive and time-consuming activity for the Party; it would also take more time for the ERT to assess this information and prepare the review report. There is also the possibility, in cases where a Party is not able to resolve the potential problem through submission of revised estimates, that the ERT would have to proceed with calculating and recommending adjustments. This is a time-consuming activity for Parties and the ERTs that may cause problems in meeting the strict deadlines established by the Article 8 review guidelines.

III. Expert review teams and lead reviewers

16. The information provided in the annual submissions under Article 7, paragraph 1, of the Kyoto Protocol, including the GHG inventory, is examined by international teams of experts, who are selected by the secretariat from nominations by Parties to the roster of experts. Invitations to experts to participate in the review are copied to the national focal point. Only experts who took the training courses under the Convention and the Kyoto Protocol and have passed the examinations can participate in the reviews of annual submissions. For more information on the training of review experts, see chapter V of document FCCC/SBSTA/2010/INF.8.

17. In general, depending on the modality of the review, each team comprises of one or two generalists, who cover cross-cutting inventory issues and supplementary information under Article 7, paragraph 1, of the Kyoto Protocol, and one or two experts for each inventory sector: energy; industrial processes; solvent and other product use; agriculture; land use, land-use change and forestry (LULUCF); and waste. Each team is led by two LR, one from a Party not included in Annex I to the Convention (non-Annex I Party) and one from a Party included in Annex I to the Convention (Annex I Party).

18. Conducting reviews in accordance with the Article 8 review guidelines is a demanding task owing to the extended scope of the reviews compared with the reviews under the Convention. In addition, more time must be spent to review complex sectors such as energy and LULUCF and the information on activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol. Although the number of experts has increased steadily since 2009, it is still not sufficient to conduct the reviews effectively in accordance with the Article 8 review guidelines, making it very difficult to ensure complete teams for the in-country and centralized reviews of the 2010 submissions. In addition, time is needed for newly trained experts to gain enough experience to be able to conduct reviews independently and for more experienced experts to become LR.

19. The annual inventory submission under the Convention and the Kyoto Protocol comprises the national inventory report (NIR) and the common reporting format (CRF) tables. The submission due date is 15 April. In 2010 the majority of Parties submitted their inventories before or on 15 April, and in a few cases within six weeks of the submission due date. Submissions by Parties after the submission due date can delay the review process and the GHG data of such Parties may not be included in reports prepared by the secretariat. More information on the timeliness of submissions by Parties can be found in

the report “National greenhouse gas inventory data for the period 1990–2008”²³ prepared by the secretariat.

20. In accordance with the “Guidelines for the preparation of national communications by Parties included in Annex I to the Convention, Part I: UNFCCC reporting guidelines on annual inventories” (hereinafter referred to as the UNFCCC reporting guidelines), Parties can submit their NIRs in any of the official languages of the United Nations. The UNFCCC reporting guidelines also encourage Parties to submit, where relevant, an English translation of the NIR. Submitting NIRs in a language other than English limits the transparency of Parties’ reporting and puts an additional burden on the secretariat to process the information provided and to find review experts with knowledge of that language, in addition to English, which is the working language of the secretariat. With the limited number of review experts, especially those with sufficient knowledge of languages other than English, selecting a team capable of working in a language other than English is a major challenge; the secretariat faced such a challenge when inviting experts for the 2010 review cycle. The review becomes limited if the review team is not knowledgeable in the language used in the submission as it cannot review the information submitted in depth. This is especially the case for centralized reviews but it is also true for in-country reviews.

21. For centralized reviews, the secretariat usually invites two review experts to cover a sector, except in the case of the energy sector where three experts are usually invited as this is the largest sector and one of the most complex in the inventories. Owing to the lack of available review experts, there were three energy sector experts in seven of the centralized reviews conducted in 2010, and in one of these reviews one of the energy experts participated as a desk reviewer. In addition, in one of the centralized reviews a waste expert participated as desk reviewer. The review for the LULUCF sector is also complex and demanding. The review could benefit from having three experts for this sector, but the number of experts available from the roster does not allow for this. In 2010 there were only two LULUCF experts in all centralized review teams. However, the secretariat secured two LULUCF experts for five of the in-country reviews, although it usually invites only one expert per sector. In one of these reviews one of the LULUCF experts participated as desk reviewer. The reason for reinforcing the ERTs is that these reviews were conducted for Parties included in Annex I with annual accounting for activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, which requires more time and attention for the review. In addition, the secretariat reinforced all centralized review teams by inviting two trainees for each review, with special emphasis on the energy and LULUCF sectors. Continued limited availability of experts could influence the quality and the level of detail of the review, particularly for complex sectors.

22. In selecting members of ERTs, the secretariat seeks to ensure an overall balance in the number of experts from Annex I Parties and non-Annex I Parties, and a geographical balance within these two groups. In 2010, a total of 163 individuals from 63 Parties served as inventory experts on review teams. Of these experts, 59 were from non-Annex I Parties, 25 were from Annex I Parties with economies in transition and 79 were from other Annex I Parties. Owing to the shortage of experts or the unavailability of experts to participate in a review, some experts had to participate in more than one review (eight experts from non-Annex I Parties, four from Annex I Parties with economies in transition and five from other Annex I Parties participated in two or more reviews). This puts additional pressure on the experts and may influence the quality and level of detail of the review. In addition, a number of experts were invited in 2010 to participate in the review process of the fifth national communications of Parties included in Annex I, which represented an additional effort for the experts.

²³ FCCC/SBI/2010/18.

23. Table 2 provides a breakdown of participation of experts by nominating Party in 2010. It shows that experts from the following Parties included in Annex I were not involved in the review process in 2010: Greece, Hungary, Liechtenstein, Monaco, Poland and Portugal. However, Hungary and Portugal have participated in the review process in recent years. There are several reasons for experts not participating in the reviews: (a) some Parties, for example Liechtenstein and Monaco, did not nominate experts at all; (b) some Parties, for example Greece and Poland, have nominated experts only recently and these experts have not yet taken the training courses and passed the relevant examinations; and (c) because some Parties did not fully update their nominations to the roster of experts, some nominated experts included in the roster were not available for the reviews. The table also shows that many Parties continue to support the review process by providing two experts, and that the following Parties provided three or more experts: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Chile, China, European Union, Finland, Germany, India, Ireland, Italy, Japan, Moldova, Netherlands, New Zealand, Russian Federation, Sweden, Thailand, Ukraine and United States of America.

Table 2.

Number of inventory review experts in 2010 by nominating Party

<i>Annex I Parties</i>		<i>Annex I Parties with economies in transition</i>	<i>Non-Annex I Parties</i>	
Australia – 6	Japan – 7	Belarus – 2	Algeria – 1	Malawi – 2
Austria – 3	Luxembourg – 1	Bulgaria – 4	Argentina – 5	Moldova – 3
Belgium – 4	Netherlands – 4	Croatia – 1	Benin – 1	Mongolia – 2
Canada – 6	New Zealand – 3	Czech Republic – 1	Brazil – 7	The former Yugoslav Republic of Montenegro – 1
Denmark – 2	Norway – 2	Estonia – 1	Chile – 3	Morocco – 1
European Union – 5	Spain – 2	Kazakhstan – 1	China – 4	Peru – 2
Finland – 7	Sweden – 3	Latvia – 1	Egypt – 2	Philippines – 2
France – 1	Switzerland – 2	Lithuania – 1	Ethiopia – 1	San Marino – 1
Germany – 3	Turkey – 1	Romania – 1	Georgia – 2	South Africa – 2
Iceland – 1	United Kingdom of Great Britain and Northern Ireland – 2	Russian Federation – 3	Ghana – 1	Sri Lanka – 1
Ireland – 3	United States of America – 5	Slovakia – 2	Indonesia – 1	Sudan – 1
Italy – 6		Slovenia – 2	India – 6	Uruguay – 2
		Ukraine – 5	Republic of Korea – 1	Thailand – 5
				Zimbabwe – 1

24. Similarly to other members of ERTs, when inviting experts as LR the secretariat seeks to ensure an overall balance in the number of experts from Annex I Parties and non-Annex I Parties and a geographical balance within these two groups. In accordance with decision 24/CMP.1, it also takes into consideration the experts' experience in the preparation and management of GHG inventories, previous participation in reviews, technical expertise in the IPCC sectors, proficiency in the use of the Article 8 review guidelines and the guidelines for preparation of information required under Article 7 of the Kyoto Protocol (decision 15/CMP.1) and the successful completion of the training courses. In 2010, a total of 35 individuals from 26 Parties served as inventory LR. Of these experts, 17 were from non-Annex I Parties, two were from Annex I Parties with economies in transition and 16 were from other Annex I Parties. One expert from a non-Annex I Party served as LR twice. Owing to the insufficient number of LR or the unavailability of LR to participate in a review, one expert had to participate as LR in two reviews and some experts participated either as LR or experts in more than one review (one expert from a non-Annex I Party and two experts from Annex I Parties with economies in transition). This puts additional pressure on the LR and may influence the quality of the review.

25. From 2000, when the individual reviews were first conducted during the trial period, to 2010, 270²⁴ individual experts from 89 Parties (38 Annex I Parties and 51 non-Annex I Parties) participated in GHG review activities. In 2010, 31 new experts who had taken the training courses and passed the examination were involved in the reviews and 15 new experts participated as trainees.

26. The limited number of experts available for the reviews makes it difficult to ensure proper geographical balance in the review teams and, as mentioned above, to ensure a sufficient number of experts in the teams for the review of the complex sectors. Despite the dedication and commitment of many experts from non-Annex I Parties, it was not possible to ensure a proper balance in the review teams between Annex I Party experts and non-Annex I Party experts owing to an insufficient number of non-Annex I Party experts on the roster.

IV. Annual report of inventory lead reviewers

27. The Article 8 review guidelines stipulate that expert teams should be led by two experts with substantial experience of inventory reviewing and/or the management of national institutional arrangements for inventory preparation. For each team, one LR should be from a non-Annex I Party and the other from an Annex I Party. LR has a special role in guiding the review teams to ensure the consistency, quality and objectivity of the reviews. Recognizing this role, the CMP, by its decision 23/CMP.1, decided that LR should regularly attend scheduled meetings in order to be better able to perform the duties described in the Article 8 review guidelines. To that end, and in accordance with decisions 12/CP.9, 22/CMP.1 and 24/CMP.1, the secretariat organizes meetings of LR. The purpose of these meetings is to promote a common approach to methodological and procedural issues encountered in the inventory reviews, and to make recommendations to the secretariat on ways to further improve the effectiveness and efficiency of the review process.

28. The LR has established themselves as an important group under the Convention and the Kyoto Protocol with a critical role in the review process, ensuring the consistency, quality and objectivity of the reviews. The seventh meeting of inventory LR took place in Bonn on 10–12 March 2010. Thirty experts from non-Annex I Parties and 33 experts from

²⁴ The twelve observers who participated in the reviews between 2000 and 2008 are not included in these totals.

Annex I Parties were invited to the meeting. Of the 44 experts that attended, 18 were from non-Annex I Parties and 26 were from Annex I Parties. In addition, two review experts, who are representatives of the European Union, attended the meeting as observers. The meeting addressed procedural and technical issues relating to the reviews of GHG inventories of Annex I Parties under the Convention and similar reviews under the Kyoto Protocol. The conclusions and recommendations from the meeting form the basis for the annual report to the SBSTA that is prepared by the LRs in accordance with decision 22/CMP.1. This report is presented in paragraphs 30–79 below.

29. In addition, the secretariat organized a one-day refresher seminar during the seventh meeting of LRs on the review of activities reported under Article 3, paragraphs 3 and 4, of the Kyoto Protocol. All LULUCF review experts who have participated in a review or passed the mandatory training were invited to the refresher seminar.

A. Procedural issues, including actions by the secretariat

1. Review process in 2009, including consistency issues

30. The LRs acknowledged that ERTs consistently applied the “Guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention” (hereinafter referred to as the UNFCCC review guidelines) and the Article 8 review guidelines (decision 22/CMP.1) during the 2009 reviews, as well as the relevant procedures. The LRs also acknowledged that the secretariat, in response to a request by the SBSTA at its thirtieth session,²⁵ performed quality assurance (QA) of the review activities in the 2009 review cycle. This further enhanced the consistency of the reviews. The LRs noted that attention to consistency in reviews will continue to require monitoring; they also noted that the SBSTA, at its twenty-ninth session, requested the secretariat to include the consideration of consistency as a permanent agenda item for the meetings of LRs.²⁶

31. The LRs acknowledged the importance of ensuring consistency at each stage of the annual technical review. They noted that consistency at each stage of the annual technical review has improved in recent years, based on experience gained over 10 years of reviews and the work by LRs, ERTs and the secretariat.

32. The LRs noted that the work undertaken by the secretariat on the annual review report template, the review tools and the implementation of QA procedures for the review activities facilitated the work of the LRs in enhancing consistency in the review process. The LRs concluded that the annual review report template is an important tool for enhancing consistency across reviews.

2. Training and experts’ participation in reviews

33. The LRs welcomed the implementation by the secretariat of the updated training programmes under the Convention and under the Kyoto Protocol adopted by the Conference of the Parties (COP) and the CMP, respectively. The LRs also welcomed the information on ongoing training activities, including the new Kyoto Protocol courses, as well as the information on possible new activities, such as: regional training seminars, the development of a new training course for the review of higher-tier methods and complex models and the implementation of refresher seminars for experienced reviewers.

34. The LRs noted that these updated training programmes would enhance the expertise of the reviewers and, hence, contribute to the quality and consistency of the review process. They welcomed the refresher seminar, which took place during the meeting, on the review

²⁵ FCCC/SBSTA/2009/3, paragraph 73 (b).

²⁶ FCCC/SBSTA/2008/13, paragraph 64.

of activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, including experience gained with adjustments during the 2009 reviews, based on Parties' voluntary submissions. The LRs urged the experts on LULUCF to undertake the new online course on the review of activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol. They further urged generalists and reminded themselves to take the new online course on the review of national registries and information on assigned amounts. They recommended that the secretariat continue organizing refresher seminars, subject to availability of resources.

35. The LRs reiterated their conclusions from previous meetings, which recognized that strengthening the capacity of expert reviewers by increasing the number of available experts, enhancing their training and involving more secretariat staff in the reviews is required to enhance consistency.

36. The LRs noted that some activities under the updated training programmes are subject to supplementary funding, and that these activities are necessary to make further progress in the training of experts and to strengthen the rigour of the annual review process under the Convention and the Kyoto Protocol.

37. Given the increased complexity of the annual review process, the LRs noted that there is a need for enhanced and smooth integration of the new reviewers into the work of the ERTs. The LRs requested the secretariat to take this into account when putting together ERTs, and agreed that LRs would take this into account when allocating and supporting tasks within the team. In addition, the LRs requested the secretariat to explore options to enhance the preparation of the new experts by involving them in a desk review in the lead-up to the week of the centralized review and to guide the new experts in their preparation for the reviews and encourage mentoring by more experienced reviewers.

38. The LRs noted the continued need for additional review experts for the review process, in particular from non-Annex I Parties, to be nominated to the roster of experts and to participate in the training courses. They expressed concern that there are still some Annex I Parties that have nominated only one expert to the roster of experts. The LRs requested the secretariat to intensify its efforts to identify new review experts, in particular from non-Annex I Parties and from Annex I Parties that nominated only one expert to the roster. They also noted the need for the governments that nominate experts to the roster of experts and agree on their participation in reviews to ensure that these experts are available to ensure timely completion of the reviews, in accordance with the decisions under the Convention and the Kyoto Protocol.

3. Reporting, data management and review tools

39. The LRs welcomed the work undertaken by the secretariat to further develop the GHG information system, including CRF Reporter software and the review tools to cover the needs under the Convention and the Kyoto Protocol. They noted that this work facilitates the annual reporting by Parties, as well as the processing of this information and its subsequent review by ERTs.

40. The LRs took note of the information provided by the secretariat on activities relating to the upgrade of the GHG information system, including the CRF Reporter, subject to the availability of supplementary funding, in order to support reporting and reviews. The LRs requested the secretariat to continue improving the functionality and utility of the CRF Reporter in anticipation of the future needs for reporting, which are under consideration by the SBSTA, and to ensure that Parties are allowed sufficient time to adapt to these new needs before full implementation of the new reporting requirements. They noted that the necessary work on the CRF Reporter could be undertaken in the context of the activities of the work programme established by the SBSTA at its thirtieth session on the revision of the UNFCCC reporting guidelines and the use of the *2006 IPCC Guidelines*

for *National Greenhouse Gas Inventories*, including consideration of the new reporting format tables.

41. The LR welcomed the work undertaken by the secretariat and the working group established by the LR at their sixth meeting on including in the 2010 review tools information on emissions and removals from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol (KP-LULUCF). They expressed support, subject to the availability of funding, for the development of the virtual team room (VTR) to support expert review activities under Article 8 of the Kyoto Protocol, with a focus on developing the review issues tracking system (RITS) and the discussion forum element of the communication management system for LR. The LR requested the secretariat to explore opportunities to provide a discussion forum for LR and LULUCF experts for the 2010 annual reviews. They also requested the secretariat to consider organizing a trial of the RITS with selected 2010 ERTs, and to provide LR at their eighth meeting with information on the outcomes of this trial and an update on the development of the remaining elements of the VTR.

42. The LR noted that the 2010 annual submissions from Parties included in Annex I will provide the first opportunity for Parties to gain experience in using the new KP-LULUCF module of the CRF Reporter. They encouraged the secretariat to organize, subject to the availability of resources, a workshop in the first half of 2011 on the CRF Reporter to discuss these experiences. The LR noted that this workshop could be held in conjunction with the activities of the work programme established by the SBSTA, mentioned in paragraph 40 above, relating to the new reporting format tables.

4. Reviews in 2010

43. The LR requested the secretariat, in updating the annual review report template, to take into account that in 2010 Parties to the Kyoto Protocol are expected to submit for the first time all the information required under Article 7, paragraph 1, on a mandatory basis, by providing specific sections for the recording of relevant findings, conclusions and recommendations, as well as potential problems and adjustments to the inventory, if applicable. They also requested the secretariat to further elaborate the guidance included in the template and, where appropriate, include references to relevant COP and CMP decisions. The LR recommended that this guidance be based on the experience gained and examples of good practice from previous reviews. This guidance could be developed in the form of checklists for specific review issues such as higher-tier methods.

The Convention and the Kyoto Protocol

44. The LR acknowledged the steps taken by the secretariat to assist the LR during the 2009 reviews in their role of ensuring that reviews are performed in accordance with the review guidelines and are performed consistently across Parties by each ERT. This includes performing QA of review activities, in accordance with the conclusions of the SBSTA at its thirtieth session. The LR requested the secretariat to continue to perform QA of review activities during the 2010 review, subject to availability of resources, and to ensure that information on experiences on the QA activities are provided to the LR at their eighth meeting.

Registry and Kyoto Protocol units

45. The LR noted that the standard independent assessment report (SIAR) prepared under the auspices of the international transaction log administrator and the Registry System Administrators Forum greatly facilitated the review of information reported under Article 7, paragraph 1, of the Kyoto Protocol on accounting of Kyoto Protocol units, the national registry and changes in the national registry in 2009. They welcomed the steps taken by the secretariat to make the SIAR publicly available and to publish it on the

UNFCCC website. The LRs welcomed the information from the secretariat related to that operational and/or procedural documentation that underpins the SIAR process will also be available on the UNFCCC website. The LRs noted that this development will enhance understanding by ERTs of the SIAR process.

46. The LRs expressed their appreciation of the ongoing effort by the secretariat to further enhance the utility of the SIAR and to facilitate its use by the ERTs in the 2010 annual review, including improving the structure, content and language of findings, conclusions and recommendations and ensuring that these closely reflect the language of decisions 15/CMP.1 and 22/CMP.1.

Potential problems

47. The LRs requested the secretariat to update the template for the “Potential problems and further questions” (known as the Saturday paper) and to provide further guidance on this template, based on the experiences gained during the review of initial reports and the two years of voluntary Kyoto Protocol annual submissions from Parties included in Annex I.

48. The LRs further requested the secretariat, after each review, to collect and synthesize information on the type and nature of issues that have been included in the Saturday papers by ERTs, with a view to establishing and maintaining a framework for a consistent approach to identifying and assessing potential problems and their subsequent inclusion in the Saturday papers across years, Parties and ERTs.

49. The LRs requested the secretariat to provide the ERTs with a list containing, by category and by gas, information as to whether methodologies exist for these categories in the Revised 1996 IPCC Guidelines and/or the IPCC good practice guidance, with a view to ensuring that correct and appropriate information on completeness is included in the Saturday paper and the annual review reports.

Timelines and selection of countries for in-country reviews in 2010

50. The LRs reiterated the need for the consistent and rigorous implementation of the requirements and timelines by the Parties and the ERTs for various stages in the review process, in accordance with the Article 8 review guidelines, in order to be able to conclude the individual reviews, including adjustments procedures, within one year of the due date of annual submission under Article 7, paragraph 1.

51. The LRs took note of the plans by the secretariat to organize in 2010 in-country reviews, primarily for Parties that have chosen annual accounting for activities under Article 3, paragraphs 3 and 4. In addition, the LRs welcomed the plans by the secretariat to organize in-country reviews where problems concerning the national system remain unresolved or where significant changes to the inventory have occurred.

5. Adjustments of estimates from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol

52. The LRs acknowledged with appreciation the organization by the secretariat of a process to enable ERTs to gain experience with the methods for adjustments of estimates of GHG emissions by sources and removals by sinks resulting from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol during the inventory review process in 2009, and the work done by the ERTs to apply the methods for adjustments. The LRs requested the secretariat to ensure that a small group of experienced reviewers is available during the annual 2010 review for consultations on any issues relating to potential problems on activities under Article 3, paragraph 3 and 4. The LRs also requested that this topic be included in the agenda for the LRs’ meeting in 2011.

53. The LRs concluded that the mandatory information on KP-LULUCF activities, which is new and supplementary to the Convention reporting, will represent a major challenge for both the Parties when preparing their inventories and the ERTs in the review process.

6. Long-term issues relating to the review process

54. The LRs took note of the conclusions of the SBSTA and the SBI at their thirtieth sessions relating to the review process, including the training of experts, the organization of the meetings of LRs and the planning and conducting of reviews, as well as the further development of the GHG information system, including CRF Reporter software, which are planned and prioritized during 2010 and 2011. The LRs acknowledged that a number of review activities that were previously funded through supplementary resources are funded for 2010 and 2011 from the core budget, which provides for stable and predictable funding for these core activities.

55. The LRs welcomed the steps taken by the secretariat in the planning and setting of priorities for activities that underpin the managing of the reporting and review processes, and the planning of related activities that meet the requirements of a robust process under the Convention and the Kyoto Protocol for 2010 and 2011. In order to maintain and enhance the current level of quality, consistency and timeliness of the review process, the LRs noted that most of the planned activities that will be supported from the supplementary budget must be implemented. Among the priority activities in this context are the development of VTR to enhance communication among reviewers and the tracking and resolution of review issues, increasing the number of new experts that participate in the reviews as trainees and organizing regional training seminars that, in addition to strengthening the capacity of experts for reviews, should enhance the capacity of experts from developing countries to prepare their national inventories. The LRs noted the need for Parties to support these activities by providing supplementary funding.

B. Methodological, technical and other issues, including actions by lead reviewers and expert review teams

1. The Convention and the Kyoto Protocol

56. The LRs agreed that they need to pay special attention to the consistency of the expert review, by, for example, informing ERTs of conclusions and recommendations of the meetings of LRs and ensuring that the agreed approach is communicated to ERTs and adhered to thereafter. They also agreed that ERTs need to consider national circumstances in their endeavour to address consistency issues.

57. For the review of GHG inventories, the LRs reiterated that both the Convention and the Kyoto Protocol require reporting Parties to continuously improve their GHG inventories and systems to reflect the enhanced understanding of the methodological and scientific basis of the GHG inventories, and to continuously work on the implementation of the recommendations for improvements arising from the inventory review. The LRs recommended that when changes in methodologies are identified during the review, the ERTs should ascertain whether they are in accordance with the UNFCCC reporting guidelines and the IPCC good practice guidance.

58. The LRs expressed concern that the review transcript that records the findings of a review, including those on problems that have been resolved, are not necessarily complete and that the secretariat does not always receive completed review transcripts from ERTs after the review has been finalized. As in previous meetings, the LRs reiterated that the review transcript remains an important tool for the review process and should be used

during all stages of the individual reviews, such as the preparation for the review and throughout the review week, and when reflecting on the final outcome of the review, including a clear indication on whether an issue included in the transcript has been resolved. The LRs again expressed support for the secretariat's work on developing the RITS that will streamline issue identification, recording, tracking and resolution, and interactions between Parties, ERTs and the secretariat, thus superseding the review transcript.

Methodological issues

59. The LRs noted that the IPCC good practice guidance encourages the use of higher-tier methods, including country-specific methods and data, for key categories. They concluded that ERTs should encourage Parties to move to higher-tier methods, especially for key categories, as a part of their improvement plans. In specific cases, taking into account the Party's national circumstances, the LRs acknowledged that using a default method or data could be in line with the decision trees of the IPCC good practice guidance.

60. The LRs reaffirmed that ERTs, when reviewing higher-tier/country-specific methods or models, need to follow the approach agreed at the sixth meeting of LRs.²⁷

61. The LRs recommended that the ERTs ensure that the category-specific information discussed in the annual review report includes the applied method and an assessment of whether it is in line with the IPCC good practice guidance.

Previous recommendations

62. The LRs noted the need for enhancing the way ERTs track how Parties, in their annual submissions, address the recommendations included in annual review reports. The LRs requested the secretariat to include in the review transcript the recommendations from the previous year's annual review report to help ERTs with this assessment. The LRs agreed that they need to ensure that the ERTs, in the annual review reports, identify issues that remain unresolved. Further, the LRs welcomed the work of the secretariat on developing the RITS, the objective of which is to streamline identification, storage, tracking and resolution of review issues and recommendations.

2. Matters specific to the Kyoto Protocol

Inventory review

63. During the meeting, the secretariat presented the overall approach for conducting the reviews of the 2010 annual inventory submissions under the Convention and supplementary information submitted under Article 7, paragraph 1, of the Kyoto Protocol. The LRs noted that in 2010 Parties to the Kyoto Protocol are expected to submit for the first time all the information required under Article 7, paragraph 1, on a mandatory basis.

64. The LRs noted that the annual review report template will help to minimize the repetition of information and facilitate consistency across review reports, and will improve the presentation of the key information resulting from reviews, which will be used for compliance purposes after it has been recorded in the compilation and accounting database. The LRs also noted the need for ERTs to clearly distinguish between mandatory and non-mandatory reporting requirements in their recommendations in the annual review reports to Parties on how to solve any issues identified during the review. The LRs further noted the need for consistency between the in-country review and centralized review templates, but

²⁷ <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/sixth_meeting_of_inventory_lead_reviewers.pdf>.

also noted the need for the template to reflect the differences between the in-country and centralized reviews in the level of detail of some elements reported under Article 7, paragraph 1, and the need for the review reports to be concise, in particular for centralized reviews.

65. The LR endorsed the overall approach for the reviews in 2010, including the review template.

66. For the review of GHG inventories under the Kyoto Protocol, the LR noted that in 2010, Parties included in Annex I will provide their annual submissions on a mandatory basis. In cases where potential problems are identified, the ERTs should clearly list them at the end of the review week and should clarify the nature of the problem in accordance with the principles of the IPCC good practice guidance, namely transparency, consistency, comparability, completeness and accuracy. The ERTs should provide clear recommendations to the Party on how to solve the problem and should clearly indicate, where necessary, the need for the Party to submit revised estimates, with a view to addressing identified potential problems within the six-week deadline after the review week, in accordance with the Article 8 review guidelines. The review report can then be based on these revised estimates.

67. The LR agreed that the ERT should clearly state in the review report whether or not the problems identified during the review have been resolved. If not, it should formulate recommendations on how and when these problems should be resolved and on the further steps to be taken by the Party. When major potential problems relating to methodological requirements for the annual inventory has not been adequately corrected through the provision of revised estimates, the ERT should commence an adjustment procedure in accordance with the relevant guidelines (decisions 20/CMP.1 and 22/CMP.1).

National system

68. The LR noted that the review of a Party's national system should focus on the changes in its national system and on checking the continued operation of the national system in accordance with the general and specific functions set out in decision 19/CMP.1. They further noted that a detailed review of the national system can be undertaken only through an in-country review.

69. For the review of the operation of the national system in accordance with the general and specific functions set out in decision 19/CMP.1, the LR noted a number of reports from the 2008 and 2009 reviews indicating that most of the problems with the national system identified during the initial reviews have been resolved. The LR noted that the problems of the national system may be identified in conjunction with the identification of a major problem with the GHG inventory, including with regard to completeness, a very large number of outstanding recommendations from previous reviews and numerous errors and problems in the inventory estimates that could arise from a lack of proper application of quality assurance/quality control procedures.

Registry and Kyoto units

70. The LR acknowledged that the 2009 annual review did not identify major changes in the national registries that may trigger a thorough technical review. Nevertheless, the LR reiterated that, in accordance with the Article 8 review guidelines, the ERTs may recommend during the 2010 annual review a thorough review of a registry, involving an in-country visit, depending on the scope of the changes in the national registry and whether problems are identified. For such reviews, the ERTs may use additional expertise from the Registry System Administrators Forum.

Potential problems

71. The LR^s agreed on the general criteria for the consideration of issues that should be included in the Saturday paper, and that these should be limited to mandatory reporting requirements as stipulated in decisions 13/CMP.1, 15/CMP.1 and 19/CMP.1, following the provisions contained in the annex to decision 22/CMP.1. They agreed that the ERT should give priority to the identification and discussion of potential problems earlier in the review week, with a view to ensuring consistency in the treatment of potential problems in the Saturday papers by the ERT.

Distribution of tasks between annual and periodic reviews

72. The LR^s noted that most of the Parties will report for the first time information on the minimization of adverse impacts in accordance with Article 3, paragraph 14, in their annual submissions in 2010. They also noted the plans by the secretariat to compile this information in accordance with the Article 8 review guidelines with a view to being used subsequently for review purposes. The LR^s acknowledged the approach presented by the secretariat for the distribution of the tasks of reviewing information on activities under Article 3, paragraph 14, between the annual and the periodic reviews. They recommended that this approach be followed by the ERT^s during the annual and periodic reviews, in accordance with the Article 8 review guidelines.

73. Similarly, the LR^s noted that in accordance with the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol (decision 15/CMP.1), Parties are requested to report information on the national system and the national registry in conjunction with periodic reporting and to report changes in the national system and national registry in the annual reporting. The LR^s also noted that in addition to the initial review, which provides for a thorough review of the national system and national registry, in accordance with the Article 8 review guidelines, reviews of the changes in the national system and national registry are conducted in conjunction with the annual review, while the review of the national registry is conducted in conjunction with the periodic review. The LR^s acknowledged the approach presented by the secretariat for distribution of the tasks of reviewing the national system and national registry, and the changes therein, between the annual and the periodic reviews on the basis of the Article 8 review guidelines, and relevant checklists; they recommended that this approach be followed by the ERT^s during the annual and periodic reviews.

Annual report by lead reviewers to the Subsidiary Body for Scientific and Technological Advice and preparation for the 2010 review cycle

74. The LR^s agreed with the procedure presented by the secretariat for the preparation of the annual report by the LR^s to the SBSTA with suggestions on how to improve the review process in accordance with the Article 8 review guidelines.

75. The LR^s also agreed to provide comments and feedback on the initial draft status reports prepared by the secretariat within one week of the date of submission, if no potential problems are identified. In cases where such problems are identified, the LR^s agreed to involve the ERT and to prepare the draft status report within 4 weeks after the submission date of the annual inventory, in accordance with the Article 8 review guidelines.

76. The LR^s further agreed to provide guidance to the ERT^s to improve the preparation for the review in order to be able to use time effectively during the review week, with a view to discussing and, when possible, resolving any possible problems. The LR^s requested the secretariat to strive to provide the ERT^s with materials, including the appropriate review report template, for the review one month before the review.

3. Adjustments of estimates from activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol

77. The LRs noted that the ERTs should continue to apply the agreed guidelines for adjustments in a consistent manner across reviews. To that end, the LRs reaffirmed that all experts should continue to enhance their understanding of decision 20/CMP.1 (“Good practice guidance and adjustments under Article 5, paragraph 2, of the Kyoto Protocol”), as well as the technical guidance on methodologies for adjustments contained in its annex, and the Article 8 review guidelines, in particular the procedures and timing related to adjustments.

78. The LRs recommended that the ERTs make every effort to provide advice to the Party on how to correct any problem identified during the review that can lead to an adjustment.

79. The LRs also recommended that when applying adjustments to activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, the ERTs should take into account considerations such as the assessment of the consequences of the adjustment based on the KP-LULUCF accounting rules. If the adjustment would provide an accounting benefit for the Party, then the ERT should not proceed with the adjustment.

80. The full text of the conclusions of the seventh LRs’ meeting is available on the UNFCCC website.²⁸

V. Other matters relating to the annual reviews

A. Compilation of information submitted by Parties on the minimization of adverse impacts in accordance with Article 3, paragraph 14

81. The CMP, by its decision 15/CMP.1, paragraph 26, requested the secretariat to compile the supplementary information submitted annually by Parties relating to how it is striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement its commitments mentioned in Article 3, paragraph 1, of the Kyoto Protocol in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, and any changes that have occurred compared with the information reported in its previous submission.

82. The compilation shall also include information on how Parties included in Annex II to the Convention, and other Parties included in Annex I that are in a position to do so, give priority, in implementing their commitments under Article 3, paragraph 14, to the actions referred in paragraph 24 of decision 15/CMP.1, based on relevant methodologies referred to in paragraph 11 of decision 31/CMP.1. The compilation report can be found on the UNFCCC website.²⁹

B. Information regarding the information submitted by Parties in accordance with decision 14/CP.7

83. In accordance with decision 14/CP.7, Parties with single projects as defined in paragraph 1 of this decision, which meet the requirements specified in paragraph 2 of this

²⁸ <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/con_rec7.pdf>.

²⁹ <<http://unfccc.int/resource/webdocs/art314/2010.pdf>>.

decision, are required to report in their annual inventory submissions emission factors, total process emissions from these projects and an estimate of the emission savings resulting from the use of renewable energy in these projects. The only Party that notified the COP, prior to the eighth session of the COP of its intention to avail itself of the provisions of this decision was Iceland.

84. In the NIR of its 2010 submission,³⁰ Iceland reported the information required by decision 14/CP.7 indicated in paragraph 83 above.

85. In accordance with decision 14/CP.7, the secretariat provides information on relevant emission factors reported by other Parties in its synthesis and assessment report on the GHG inventories submitted in 2010³¹ to allow comparisons with the information submitted by Iceland in its 2010 submission.

³⁰ Pages 68–75 and 218–224 of the NIR available at <http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/5270.php>.

³¹ <<http://unfccc.int/resource/webdocs/sai/2010.pdf>>.