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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 2011. 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.

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I. Introduction

A. Mandate

1. In accordance with decision 15/CMP.1, each Party included in Annex I to the Convention that is also a Party to the Kyoto Protocol (hereinafter referred to as 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. 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 LRs 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 (CRF) submissions to be used in the review process.²

3. In accordance with decisions 15/CMP.1 and 14/CP.7, the secretariat shall 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

4. At its thirtieth session,³ the Subsidiary Body for Implementation (SBI) requested the secretariat to facilitate the work of the LRs, including by 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 LRs' meetings and the further development of the greenhouse gas (GHG) information system, and to prioritize these fundamental activities.⁴

5. At its thirty-third session, the SBSTA took note of document FCCC/SBSTA/2010/INF.9 containing information on the status of submissions by Parties included in Annex I of the annual information required under Article 7, paragraph 1, of the Kyoto Protocol, the status of review of this information in conjunction with the review of the GHG 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 (CMP) and the Compliance Committee in 2010, as well as on the selection of experts and LRs and their participation in the review process, the recommendations from the LRs on how to improve the review process, and the information on minimization of adverse impacts in accordance

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.

with Article 3, paragraph 14, as required by decision 15/CMP.1 and information submitted by Parties in accordance with decision 14/CP.7.⁵

6. As at 16 August 2010, 41 Parties included in Annex I had submitted their annual information required under Article 7, paragraph 1, of the Kyoto Protocol in accordance with decision 15/CMP.1 and the secretariat had organized reviews of this information in accordance with the “Guidelines for review under Article 8 of the Kyoto Protocol” (hereinafter referred to as the Article 8 review guidelines). Thirty-eight reports of the reviews conducted up to 9 October 2010 were published and forwarded by the secretariat to the CMP, the Compliance Committee and the Party concerned.⁶ The published review reports,⁷ with three exceptions, do not contain questions of implementation because the Parties have been able to resolve potential problems during the review process.

7. As at 31 October 2011, 35 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 2009⁸ the enforcement branch of the Compliance Committee determined that Croatia is not eligible to participate in the Kyoto Protocol mechanisms pending the resolution of two questions of implementation included in the review report of Croatia’s initial report. In addition, the eligibility of Romania and Ukraine, which was established when the 16 months since the submission of their initial report had elapsed, was subsequently suspended on 27 August 2011⁹ and 12 October 2011,¹⁰ respectively, after consideration by the enforcement branch of the questions of implementation contained in the review reports of these Parties indicated in paragraph 6 above. The question of implementation contained in the third of the review reports indicated in paragraph 6 above will be preliminarily considered by the enforcement branch in November 2011.

C. Scope of the note

8. 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 Committee in 2011 (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). The document further provides information regarding the information on minimization of adverse impacts in accordance with Article 3, paragraph

⁵ FCCC/SBSTA/2010/13, paragraph 98.

⁶ Belarus indicated that its 2010 annual submission is made under the Convention only. Kazakhstan indicated that its 2010 annual submission is made under the Kyoto Protocol; however, since Kazakhstan does not have a quantified emission limitation or reduction commitment inscribed in Annex B to the Kyoto Protocol its submission is being treated as a submission under the Convention. Turkey indicated that its 2010 annual submission is made under both the Convention and the Kyoto Protocol; however, since Turkey does not have a quantified emission limitation or reduction commitment inscribed in Annex B to the Kyoto Protocol its submission is being treated as a submission under the Convention.

⁷ <http://unfccc.int/national_reports/annex_i_ghg_inventories/inventory_review_reports/items/5687.php>.

⁸ <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>.

⁹ <http://unfccc.int/files/kyoto_protocol/compliance/questions_of_implementation/application/pdf/cc-2011-1-8_romania_eb_final_decision.pdf>.

¹⁰ <http://unfccc.int/files/kyoto_protocol/compliance/questions_of_implementation/application/pdf/cc-2011-2-9_ukraine_eb_final_decision.pdf>.

14, as required by decision 15/CMP.1 and information submitted by Parties in accordance with decision 14/CP.7 (see chapter V below).

9. 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 2011 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”¹¹ prepared in accordance with decision 12/CP.9.

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

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

II. Submission and review of annual reports

11. In 2011 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 second year of the commitment period. Status reports for all 41 submissions had been prepared, published on the UNFCCC website¹² and 38 of them forwarded to the Compliance Committee by September 2011 (with the exception of Belarus, Kazakhstan and Turkey). The secretariat is coordinating individual reviews of these 41 submissions, with 38 of them being reviewed following the requirements established under the Article 8 review guidelines. Nine of the individual reviews of these submissions, those of the Czech Republic, Iceland, Lithuania, Luxembourg, the Netherlands, Romania, Slovakia, Spain and Ukraine were conducted as in-country reviews between 22 August and 22 October 2011 and the rest were conducted as centralized reviews. Altogether, seven centralized reviews were organized between 29 August and 24 September 2011 in Bonn, Germany. The reports from these reviews are expected to be finalized and published between December 2011 and March 2012.

¹¹ FCCC/SBSTA/2011/INF.13.

¹² <http://unfccc.int/national_reports/annex_i_ghg_inventories/inventory_review_reports/items/6049.php>.

Table 1
Submission of annual information required under the Kyoto Protocol in 2011, 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 – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/AUS	29 Aug. – 3 Sep. 2011	In preparation
Austria	NIR – 14 Apr. 2011 CRF – 14 Apr. 2011	English	FCCC/ASR/2011/AUT	29 Aug. – 3 Sep. 2011	In preparation
Belarus ^a	NIR – 17 May 2011 CRF – 15 Apr 2011	Russian	FCCC/ASR/2011/BLR	5–10 Sep. 2011	In preparation
Belgium	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/BEL	19–24 Sep. 2011	In preparation
Bulgaria	NIR – 15 Apr. 2011 CRF – 14 Apr. 2011	English	FCCC/ASR/2011/BGR	29 Aug. – 3 Sep. 2011	In preparation
Canada	NIR – 16 May 2011 CRF – 16 May 2011	English	FCCC/ASR/2011/CAN	29 Aug. – 3 Sep. 2011	In preparation
Croatia	NIR – 15 Apr. 2011 CRF – 14 Apr. 2011	English	FCCC/ASR/2011/HRV	12–17 Sep. 2011	In preparation
Czech Republic	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/CZE	29 Aug. – 3 Sep. 2011	In preparation
Denmark	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/DNK	12–17 Sep. 2011	In preparation
Estonia	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/EST	29 Aug. – 3 Sep. 2011	In preparation
European Union	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/EU	12–17 Sep. 2011	In preparation
Finland	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/FIN	29 Aug. – 3 Sep. 2011	In preparation
France	NIR – 11 Apr. 2011 CRF – 11 Apr. 2011	French	FCCC/ASR/2011/FRA	5–10 Sep. 2011	In preparation
Germany	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/DEU	19–24 Sep. 2011	In preparation
Greece	NIR – 15 Apr. 2011 CRF – 19 Apr. 2011	English	FCCC/ASR/2011/GRC	29 Aug. – 3 Sep. 2011	In preparation
Hungary	NIR – 24 May 2011 CRF – 21 May 2011	English	FCCC/ASR/2011/HUN	12–17 Sep. 2011	In preparation
Iceland	NIR – 13 May 2011 CRF – 16 Apr. 2011	English	FCCC/ASR/2011/ISL	22–27 Aug. 2011	In preparation
Ireland	NIR – 15 Apr. 2011 CRF – 13 Apr. 2011	English	FCCC/ASR/2011/IRL	5–10 Sep. 2011	In preparation
Italy	NIR – 15 Apr. 2011 CRF – 14 Apr. 2011	English	FCCC/ASR/2011/ITA	12–17 Sep. 2011	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>
Japan	NIR – 26 Apr. 2011 CRF – 26 Apr. 2011	English	FCCC/ASR/2011/JPN	12–17 Sep. 2011	In preparation
Kazakhstan ^b	NIR – 30 May 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/KAZ	5–10 Sep. 2011	In preparation
Latvia	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/LVA	12–17 Sep. 2011	In preparation
Liechtenstein	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/LIE	5–10 Sep. 2011	In preparation
Lithuania	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/LTU	26 Sep. – 1 Oct. 2011	In preparation
Luxembourg	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/LUX	19–24 Sep. 2011	In preparation
Monaco	NIR – 18 Mar. 2011 CRF – 9 Mar. 2011	French	FCCC/ASR/2011/MCO	5–10 Sep. 2011	In preparation
Netherlands	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/NLD	26 Sep. – 1 Oct. 2011	In preparation
New Zealand	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/NZL	29 Aug. – 3 Sep. 2011	In preparation
Norway	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/NOR	12–17 Sep. 2011	In preparation
Poland	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/POL	12–17 Sep. 2011	In preparation
Portugal	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/PRT	5–10 Sep. 2011	In preparation
Romania	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/ROU	26 Sep. – 1 Oct. 2011	In preparation
Russian Federation	NIR – 23 Apr. 2011 CRF – 14 Apr. 2011	Russian	FCCC/ASR/2011/RUS	5–10 Sep. 2011	In preparation
Slovakia	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/SVK	22–27 Aug. 2011	In preparation
Slovenia	NIR – 18 Apr. 2011 CRF – 18 Apr. 2011	English	FCCC/ASR/2011/SVN	29 Aug. – 3 Sep. 2011	In preparation
Spain	NIR – 14 Apr. 2011 CRF – 14 Apr. 2011	Spanish	FCCC/ASR/2011/ESP	17–22 Oct. 2011	In preparation
Sweden	NIR – 31 Mar. 2011 CRF – 31 Apr. 2011	English	FCCC/ASR/2011/SWE	5–10 Sep. 2011	In preparation
Switzerland	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/CHE	19–24 Sep. 2011	In preparation
Turkey ^c	NIR – 13 Apr. 2011 CRF – 13 Apr. 2011	English	FCCC/ASR/2011/TUR	19–24 Sep. 2011	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>
Ukraine	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	Russian	FCCC/ASR/2011/UKR	10–15 Oct. 2011	In preparation
United Kingdom of Great Britain and Northern Ireland	NIR – 15 Apr. 2011 CRF – 15 Apr. 2011	English	FCCC/ASR/2011/GBR	19–24 Sep. 2011	In preparation

Abbreviations: CRF = common reporting format, NIR = national inventory report, Party included in Annex I = Party included in Annex I to the Convention that is also a Party to the Kyoto Protocol.

^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 31 October 2011, this amendment had not yet been ratified by enough Parties to allow its entry into force. Belarus indicated that its 2011 annual submission is made under the Convention.

^b Kazakhstan is a Party included in Annex I for the purposes of the Kyoto Protocol. However, since Kazakhstan does not have a quantified emission limitation or reduction commitment inscribed in Annex B to the Kyoto Protocol its submission is being treated as a submission under the Convention.

^c Turkey is a Party included in Annex I. Turkey indicated that its 2011 annual submission is made under both the Convention and the Kyoto Protocol. However, since Turkey does not have a quantified emission limitation or reduction commitment inscribed in Annex B to the Kyoto Protocol its submission is being treated as a submission under the Convention.

12. 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. 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.

13. In addition, 2011 is the second 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 pertaining to language of a mandatory nature in these guidelines for the national systems, national registries, information on activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol. In addition, the ERTs shall identify potential problems arising from the 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 Intergovernmental Panel on Climate Change (IPCC) *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories* as elaborated by the IPCC *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* (hereinafter referred to as the IPCC good practice guidance) and the IPCC *Good Practice Guidance for Land Use, Land-Use Change and Forestry* (hereinafter referred to as the IPCC good practice guidance for LULUCF) or those estimates that were not reported at all, including recalculations of previous years' estimates and, in particular, recalculations of estimates for

the first year of the commitment period. 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.

14. 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, elaborate conclusions 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 and/or satisfactory additional information, 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

15. 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 UNFCCC 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/2011/INF.13.

16. In general, depending on the modality of the review (in-country or centralized), 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 LRs, 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).

17. 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 2011 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 LRs.

18. The annual inventory submission under the Convention and the Kyoto Protocol comprises the national inventory report (NIR) and the CRF tables. The submission due date is 15 April. In 2011 the majority of Parties submitted their inventories before or on 15 April, in a number of cases within six weeks of the submission due date and in five cases after this period. Submissions by Parties after the submission due date can delay the review process, making more difficult the preparation of the review tools supporting 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 1990–2009”¹³ prepared by the secretariat.

19. 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 may 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 again as in previous years faced such a challenge when inviting experts for the 2011 review cycle. The review becomes limited if the ERT is not knowledgeable in the language used in the submission as it cannot review the information submitted in depth, including any additional information provided in the language of the Party under review. This is especially the case for centralized reviews but it is also true for in-country reviews.

20. In 2011, the secretariat invited 224 experts in total to participate in the reviews. Of these, 62 experts declined the invitation, being unavailable owing to previous commitments, heavy workload, lack of financial resources or other reasons. In addition, 28 experts informed the secretariat about their availability on dates other than the scheduled review dates for which they were invited or their availability only on particular dates, making it necessary for the secretariat to organize their participation in other reviews and to find at the same time experts in those reviews willing and available to make such changes. Overall, these issues had a negative impact on and increased the difficulty of the secretariat’s planning of ERTs for 2011. This also affected the timeliness of the preparation for the reviews by experts. At the same time, these issues seriously affected the completeness of ERTs or their proper geographical balance; for example, for one centralized review the secretariat invited 24 experts in total, of which seven declined and seven informed the secretariat of their willingness to participate in reviews of different dates, and finally only 10 experts were available to participate in that review, instead of the normal 13 ERT members. Owing to the unavailability of experts to participate in the 2011 reviews, one centralized review was cancelled, significantly increasing the workload of experts participating in the other seven centralized reviews, of which only one had a complete ERT. To improve this situation, the secretariat intends to start planning for the 2012 reviews earlier and to issue an earlier call for the participation of experts. However, such measures can help only if experts are available and respond positively to invitations in time, and if Parties pay more attention to this issue, possibly taking further action such as ensuring that nominated experts are fully available for reviews and receive the necessary support from their governments and/or employers.

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 only four of the seven centralized reviews conducted in 2011. In one centralized review there was only one energy expert, who was supported by another energy expert participating as a desk reviewer performing the review of only one Party of the four under review in this centralized review. The review for the LULUCF sector is also complex and demanding. It can be beneficial to

¹³ FCCC/SBI/2011/9.

have three experts for this sector in centralized reviews, but the number of experts available did not allow for this in 2011 and there were only two LULUCF experts in all centralized reviews. At the same time, the secretariat was able to secure only one LULUCF expert for all nine in-country reviews, although in 2010 the secretariat succeeded to invite two LULUCF experts for five of the 10 organized in-country reviews. In 2011, the secretariat was not able to reinforce centralized review teams with new review experts as trainees owing to the lack of available experienced review experts able to guide and train new experts in the review tasks. In 2011, 24 new review experts who had taken the training courses and passed the examination were involved in the reviews. 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 2011, a total of 126 individuals from 54 Parties served as inventory experts on review teams. Of these experts, 43 were from non-Annex I Parties, 17 were from Annex I Parties with economies in transition and 66 were from other Annex I Parties. Owing to the shortage of experts or their unavailability to participate in a review, some experts had to participate in two reviews (seven experts from non-Annex I Parties and one from an Annex I Party). 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 2011 to participate in the review process of the fifth national communications of Parties included in Annex I and in the review of the information on the forest management reference levels in accordance with decision 2/CMP.6, which represented an additional effort for the experts.

23. Table 2 provides a breakdown of participation of experts by nominating Party in 2011. It shows that experts from the following Parties included in Annex I were not involved in the review process in 2011: Greece, Hungary, Liechtenstein, Monaco and Poland. 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; (c) because some Parties did not fully update their nominations to the UNFCCC roster of experts, some nominated experts included in the roster were not available for the reviews; (d) some experts have an unusual workload and other job obligations during the review period; and (e) some Parties are experiencing a shortage of financial resources for supporting experts' participation in 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, Belgium, Brazil, China, European Union (EU), Finland, France, Ireland, Italy, Japan, Republic of Korea, Netherlands, New Zealand, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, Ukraine and United States of America.

Table 2
Number of inventory review experts in 2011 by nominating Party

<i>Annex I Parties</i>		<i>Annex I Parties with economies in transition</i>		<i>Non-Annex I Parties</i>
Australia – 4	Japan – 8	Belarus – 1	Algeria – 1	Malawi – 1
Austria – 1	Netherlands – 4	Bulgaria – 2	Argentina – 4	Republic of Moldova – 2
Belgium – 3	New Zealand – 4	Croatia – 1	Benin – 2	Mongolia – 1

<i>Annex I Parties</i>		<i>Annex I Parties with economies in transition</i>	<i>Non-Annex I Parties</i>	
Canada – 2	Norway – 2	Estonia – 1	Brazil – 6	Peru – 2
Denmark – 2	Portugal – 1	Kazakhstan – 1	Chile – 1	San Marino – 1
European Union – 3	Spain – 1	Lithuania – 2	China – 5	South Africa – 1
Finland – 4	Sweden – 4	Romania – 1	Egypt – 1	Sudan – 1
France – 3	Switzerland – 3	Russian Federation – 2	Georgia – 2	Uruguay – 1
Germany – 2	United Kingdom of Great Britain and Northern Ireland – 3	Slovakia – 1	Ghana – 1	United Republic of Tanzania – 1
Ireland – 3	United States of America – 4	Slovenia – 1	India – 2	Thailand – 2
Italy – 5		Ukraine – 4	Republic of Korea – 4	Zimbabwe – 1

24. As when selecting other members of ERTs, when inviting experts as LRs 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 the preparation of the information required under Article 7 of the Kyoto Protocol" and the successful completion of the training courses. In 2011, a total of 27 individuals from 24 Parties served as inventory LRs. Of these experts, 11 were from non-Annex I Parties, two were from Annex I Parties with economies in transition and 11 were from other Annex I Parties. Owing to the insufficient number of LRs or the unavailability of LRs to participate in a review, one expert from a non-Annex I Party had to participate as LR in two reviews and four experts from non-Annex I Parties participated as either LRs or experts in two reviews. This puts additional pressure on the LRs and may influence the quality of the review.

25. From 2000, when the individual reviews were first conducted during the trial period, to 2011, 290¹⁴ individual experts from 89 Parties (38 Annex I Parties and 51 non-Annex I Parties) participated in GHG review activities.

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 in paragraph 21 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 available experts.

¹⁴ Twelve observers who participated in the reviews between 2000 and 2008 are not included in these totals.

IV. Annual report of inventory lead reviewers

27. The Article 8 review guidelines stipulate that ERTs should be led by two experts with substantial experience of inventory reviewing and/or the management of national institutional arrangements for inventory preparation, who are nominated as LRs for an individual review process. For each ERT, one LR should be from a non-Annex I Party and the other from an Annex I Party. LRs have 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 LRs 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 LRs. 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 LRs have 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 annual meetings of the LRs helped in fulfilling this role. The eighth meeting of inventory LRs took place in Bonn from 21 to 22 March 2011. Sixty-one experts, 29 from non-Annex I Parties and 32 from Annex I Parties, were invited to the meeting, which was attended by only 37 experts, 12 from non-Annex I Parties and 25 from Annex I Parties. In addition, a member of the enforcement branch of the Compliance Committee attended the meeting as an observer. 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. The annual report for 2011 is presented in paragraphs 29–78 below.

A. Procedural issues, including actions by the secretariat

1. Review process in 2010, including consistency issues

29. The LRs expressed their appreciation to all the experts who participated in the review process of the 2010 annual submissions, in particular the experts who accepted late invitations to attend a review following last-minute cancellations by other experts, the experts who participated in more than one review and the experts who had to take on additional responsibilities during the reviews owing to unforeseen circumstances. The LRs also expressed their appreciation to the secretariat for coordinating and supporting the review process in an effective and efficient way.

30. The LRs acknowledged that, in general, ERTs consistently applied the “Guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention” (decision 19/CP.8) and the Article 8 review guidelines (decision 22/CMP.1) during the 2010 annual reviews, as well as the relevant procedures. The LRs also acknowledged that the secretariat, in response to a request made by the SBSTA at its thirtieth session,¹⁵ continued to perform quality assurance (QA) of the review activities in the 2010 annual review cycle. This further enhanced the consistency of the reviews. The LRs noted that attention to consistency in reviews will continue to require monitoring, in particular for the review of activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol (KP-LULUCF activities). They also noted that the SBSTA, at its twenty-ninth

¹⁵ FCCC/SBSTA/2009/3, paragraph 73(b).

session, requested the secretariat to include the consideration of the consistency of the reviews as a permanent agenda item for the meetings of LRs.¹⁶

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

2. Improving the efficiency of reviews

32. The LRs noted that there is a need to continue to improve the efficiency of the review process. The starting point for improving the efficiency is to conduct better planning of and preparation for the reviews, and to improve the introductory presentation to ERTs. The presentation should include more information on what the expectations are during the review week, what the outcome of the review week is and how to use the different review tools. The LRs requested the secretariat to include in this presentation specific guidance for ERTs on using the words “recommend” and “encourage” when advising a Party on how to resolve an identified problem. The presentation should be provided to all ERTs, for both in-country and centralized reviews. The LRs noted the importance of enhanced communication during centralized reviews and that questions to the Party are sent in advance of the review in order to facilitate the work during the review. The LRs also noted that special attention should be paid, by review experts and LRs, to following up on recommendations made in previous review reports and recalculations. The LRs requested the secretariat to provide a data file of recalculations, such as the submission comparison tool, to ERTs in advance of the reviews.

3. Training and experts’ participation in reviews

33. The LRs welcomed the information on ongoing and planned training activities in 2011, including the organization of annual and regional training seminars, the development of a new training course for the review of higher-tier methods and complex models, and the organization of a refresher seminar for experienced reviewers. They noted that the refresher seminar in 2011 will focus on the review of higher-tier methods and complex models and will be held back-to-back with the eighth meeting of inventory LRs,¹⁷ with the participation of LRs and experienced reviewers of all sectors. The LRs recommended that the secretariat continue organizing regional and refresher seminars, subject to the availability of resources, and encouraged Parties to provide such resources.

34. Given the increasing complexity of the annual review process, the LRs reiterated 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 continue to take into account the need for smooth integration of the new reviewers into the work of the ERTs when planning the composition of ERTs, and agreed that LRs would take this into account when allocating and supporting tasks within the team, in particular by guiding new experts in the preparation for the centralized reviews, encouraging mentoring by more experienced reviewers and involving new experts in certain review activities during and after the week of the centralized review. To support this effort, the LRs requested the secretariat to provide information on which experts are participating in the review process for the first time.

35. 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 UNFCCC roster of experts and to participate in the training courses. They also noted the need for the governments that nominate experts to the UNFCCC roster of experts and agree on their

¹⁶ FCCC/SBSTA/2008/13, paragraph 64.

¹⁷ The refresher seminar was held on 23 March 2011, after the conclusion of the eighth meeting of LRs.

participation in reviews to ensure that these experts are fully available, in order to ensure the timely completion of the reviews, in accordance with relevant decisions under the Convention and its Kyoto Protocol. This is particularly relevant to governments that nominated very few experts to the UNFCCC roster of experts. The LRs acknowledged the need for Parties to update the UNFCCC roster of experts on a regular basis and requested the secretariat to remind all Parties once a year to update it.

4. Reporting, data management and review tools

36. The LRs welcomed the work undertaken by the secretariat to further develop the review tools in order to meet the needs under the Convention and its Kyoto Protocol. They noted that this work facilitates the annual review by the ERTs and the consistency of this review, and also noted that providing feedback on the review tools is crucial for the further development of the review tools in order to facilitate the review activities both under the Convention and its Kyoto Protocol.

37. The LRs also welcomed the work undertaken by the secretariat on the development of the virtual team room (VTR) to support the review activities, and noted that the VTR should have a positive and decisive impact on the performance and traceability of the findings from the review process. The LRs encouraged the secretariat to organize a trial use of the VTR, with a minimum of components (review issues tracking system, communication management system and workflow management system), to be used as support for the review of the annual submissions of a sufficient number of Parties in the next review cycle (2011 annual submissions), and to use the outcome of and experience from the trial use of the VTR in implementing a full-scale VTR system to support the review of the annual submissions of all Parties in the 2012 annual review cycle. The LRs noted that funding for this project is not secured after June 2011, and emphasized the importance of Parties contributing financial resources to this work in a sustainable manner.

5. Development of the CRF Reporter

38. The secretariat informed the LRs that the performance and further development of the current CRF Reporter software are becoming seriously constrained, and that there is a risk that it will be difficult to maintain the compatibility of the current architecture and software with the recent developments in hardware and operation systems. The LRs noted that, in accordance with the conclusions¹⁸ of the SBSTA at its thirty-second session on the work programme for the revision of the UNFCCC reporting guidelines and the use of the *2006 IPCC Guidelines for National Greenhouse Gas Inventories*, the secretariat has been requested,¹⁹ subject to the availability of funding, to initiate the preparatory work on upgrading the CRF Reporter, with a view to completing this work by October 2012, subject to a decision being taken on the revised CRF tables by the Conference of the Parties (COP) at its seventeenth session.²⁰

39. The LRs noted the information provided by the secretariat on the organizational work on and technical options for addressing the limitations of the current CRF Reporter and the possible approaches to developing the new CRF Reporter. The LRs also noted the difficulty of completing the work according to the planned schedule (by October 2012), and that this work is being performed on the basis of supplementary funding that is limited at present. They further noted the possible duplication of resources in upgrading the current CRF Reporter in parallel with the development of the new CRF Reporter. Considering that the new CRF Reporter will not be available before 2013, the LRs requested the secretariat

¹⁸ FCCC/SBSTA/2010/6, paragraphs 63–76.

¹⁹ FCCC/SBSTA/2010/6, paragraph 74.

²⁰ FCCC/SBSTA/2010/6, Annex II.

to continue maintaining the current CRF Reporter so that it will maintain its functionality and performance at least until the 2014 annual submissions and their review. The LRs emphasized the importance of advancing the work on the current and new CRF Reporters in parallel and the need for Parties to contribute to this work with supplementary financial resources. The LRs encouraged the secretariat to explore, subject to the availability of resources, the possibility of establishing a group of technical experts or convening a workshop to provide advice on the approach to the development of the CRF Reporter and the steps for its implementation.

6. Reviews in 2011

Annual review report template

40. The LRs requested the secretariat to update the annual review report (ARR) template on the basis of the experience gained and examples of best practice from previous reviews. Especially for the reviews under the Kyoto Protocol, the experience gained in 2010 needs to be reflected in the ARR template. The LRs noted that the changes to the ARR template will be minor. They requested the secretariat to develop possible checklists for issues to be addressed in the ARR.

41. The LRs noted that the inclusion of further guidance and proposed text in the ARR template is necessary, in order to further improve consistency related to how the findings are presented in the review reports (e.g. with regard to the use of the terms “recommend” and “encourage”).

42. In particular, when considering problems related to transparency, if the ERT identifies that essential information is missing which prevents the ERT from assessing potential over- or underestimations, then the ERT should use the term “recommend” when addressing transparency-related improvements. If the ERT identifies that, in this context, essential information was provided but a clearer presentation of this information could facilitate the work of future ERTs, then the ERT should use the term “encourage”. However, the ERT should note that lack of transparency under the Kyoto Protocol may trigger a potential problem and possible adjustment given that this prevents the ERT from assessing over- or underestimations.

The Convention and its Kyoto Protocol

43. The LRs acknowledged the steps taken by the secretariat to assist the LRs in their role of ensuring that reviews are performed in accordance with the review guidelines (both under the Convention and the Kyoto Protocol) and are performed consistently across Parties by each ERT. This includes the performance of QA of review activities by the secretariat, in accordance with the conclusions of the SBSTA at its thirtieth session. The LRs requested the secretariat to continue to perform QA of review activities during the 2011 annual review process, subject to the availability of resources.

44. The LRs noted that not all review experts come well prepared to the reviews. In order to improve the preparation of the ERTs for the review, the LRs agreed that they need to work with the ERTs, supported by the secretariat, so that questions identified during the preparation for a review are sent to the Party prior to the review week. The LRs also agreed that the focus of these questions should be to follow up on how the Party addressed recommendations included in the previous review report and any major recalculations.

Models, facility-level data and data from the European Union emissions trading scheme

45. 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 inventory

LRs.²¹ However, the LRs noted the difficulties faced by ERTs in reviewing models, especially during centralized reviews, and the need to facilitate this review, including through the use of materials based on the training course on the review of higher-tier methods which is under development.

46. The LRs noted that there is a need to ensure further consistency in the review of facility-level data, such as data from the EU emissions trading scheme. The LRs requested the secretariat to compile and make available to ERTs additional information on the issues identified in review reports on reviewing facility-level data. The LRs noted that this information could be provided in the form of, for example, a checklist or factsheet.

7. Matters specific to the Kyoto Protocol

National registries and Kyoto Protocol units

47. The LRs noted that the standard independent assessment report (SIAR) prepared under the auspices of the international transaction log administrator and the Registry System Administrators Forum (RSA Forum) greatly facilitated the review of information reported under Article 7, paragraph 1, of the Kyoto Protocol on accounting of Kyoto Protocol units, national registries and changes in national registries in 2010.

48. The LRs also noted that the secretariat needs to make additional effort to further enhance the utility of the SIAR and to facilitate its use by the ERTs in the 2011 annual reviews, including improving the content and language of findings, conclusions and recommendations and ensuring that the language used closely reflects the language of decisions 15/CMP.1 and 22/CMP.1. They further noted that further input might be needed from the RSA Forum on matters related to possible illegal transactions identified in national registries.

Potential problems

49. The LRs requested the secretariat to update the “Potential problems and further questions” template (known as the Saturday paper) and to provide further guidance on this template, on the basis of the experience gained during the 2010 review of the first mandatory annual submissions under the Kyoto Protocol from Parties included in Annex I.

50. The LRs also requested the secretariat, after each review, to continue to collect and synthesize information on the type and nature of the issues that have been included in the Saturday papers by ERTs, with a view to facilitating a consistent approach to identifying and assessing potential problems and their subsequent inclusion in the Saturday papers across years, Parties and ERTs. They further requested the secretariat to include in the synthesized information, Parties’ responses to the issues raised in the Saturday papers, without compromising any necessary confidentiality, as well as the ERTs’ conclusions (i.e. information on whether the issues have been resolved). The LRs requested the secretariat to make the previous year’s Saturday paper for a specific Party available, subject to the Party’s consent, to the relevant members of the ERT which is reviewing the annual submission of that Party the year after.

Distribution of tasks between annual and periodic reviews

51. The LRs noted that the distribution of tasks between annual and periodic reviews on matters relating to national systems, national registries and the minimization of adverse impacts in accordance with Article 3, paragraph 14, of the Kyoto Protocol is well

²¹ <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/sixth_meeting_of_inventory_lead_reviewers.pdf>.

understood by review experts. They also noted that review reports on these matters are broadly consistent. The LRs requested the secretariat to include the checklist prepared for the review of information on the minimization of adverse impacts in accordance with Article 3, paragraph 14, of the Kyoto Protocol in the standard review materials provided to ERTs.

Adjustments

52. The LRs also requested the secretariat, in accordance with paragraph 4 of decision 21/CMP.1, following the collective recommendation of LRs, to regularly update the information in the inventory review resources listed in appendix I to the technical guidance on adjustments (decision 20/CMP.1), with the published adjustment cases coming from the 2010 annual review cycle.

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

1. The Convention and its Kyoto Protocol

Overall approach to the 2011 annual reviews, consistency issues and annual review report template

53. During the meeting, the secretariat presented the overall approach to conducting the reviews of the 2011 annual inventory submissions under the Convention and supplementary information submitted under Article 7, paragraph 1, of the Kyoto Protocol, with an emphasis on consistency issues.

54. The LRs agreed that they need to continue to pay special attention to the consistency of the review process by, for example, informing ERTs of the conclusions and recommendations resulting from the meetings of inventory LRs and ensuring that the agreed approach to the 2011 annual review process 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.

55. The LRs acknowledged their own role in ensuring that the reviews are consistent by following the Convention and Kyoto Protocol review guidelines and the agreed review approach and ensuring the quality of a given review report by identifying gaps, internal inconsistencies, etc., when working on the draft review report and taking into account comments received from the secretariat after its QA of the review report.

56. The LRs also acknowledged the need for consistency in the review of LULUCF under the Convention and KP-LULUCF activities. Given the time constraints, they noted the need to give priority to the review of KP-LULUCF activities.

57. The LRs expressed concern that the review transcript on which the findings of a review are recorded, including in relation to problems that have been resolved, is not necessarily complete and that the secretariat does not always receive a complete or updated review transcript from the ERT after a 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 at all stages of an individual review, such as during the preparation for the review, throughout the review week and when reflecting on the final outcome of the review, and should include a clear indication of whether an issue included in the transcript has been resolved.

58. The LRs noted that the ARR template will continue to help to minimize the repetition of information and facilitate consistency across review reports, and will improve

the presentation of the key information resulting from the reviews, which will be used for compliance purposes after it has been recorded in the compilation and accounting database.

59. The LRs endorsed the overall approach to the annual reviews in 2011, including the discussed proposed changes to the ARR template.

Methodological issues

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 inventory LRs.²²

61. The LRs noted that for Parties that have not addressed the ERTs' recommendations relating to language of a mandatory nature in the reporting guidelines after several years (e.g. moving to higher tiers), the ERTs should consider whether this should lead to the identification of a potential problem, which if not resolved may lead to a question of implementation. However, 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 contained in the IPCC good practice guidance.

62. The LRs recommended that ERTs ensure that the category-specific information provided in the ARR includes the applied method and an assessment of whether it is in line with the IPCC good practice guidance.

Previous recommendations

63. The LRs noted the need to enhance the way ERTs track how Parties, in their annual submissions, address the recommendations included in previous ARRs. The LRs requested the secretariat to include in the review transcript the recommendations made in the previous year's ARR in order to help ERTs with this assessment. The LRs agreed that they need to ensure that ERTs continue to identify issues that remain unresolved and clearly identify them in the ARR. The LRs also agreed that high priority needs to be given to previous recommendations in the early stages of an individual review, particularly during the review experts' preparation for the review and in the first days of the review week. Where previous recommendations relating to language of a mandatory nature in the reporting guidelines have not been addressed by Parties after several years, the ERTs should consider whether this should lead to the identification of a potential problem, which if not resolved may lead to a question of implementation, for Parties being reviewed under the Kyoto Protocol.

64. The LRs noted that Parties are required to provide information on how they have addressed recommendations made in previous review reports and that several Parties provide a table with such information in their NIRs. The LRs agreed that this could be considered good practice and, while it is not required by the UNFCCC reporting guidelines, Parties could be encouraged to include such a table in their NIRs. They also noted that Parties may not be in a position to fully implement the recommendations of the current ERT in time for the inventory submission of the subsequent year.

2. Matters specific to the Kyoto Protocol

Potential problems relating to information reported under Article 7, paragraph 1, including greenhouse gas inventories

65. The LRs emphasized that, following the provisions of the annex to decision 22/CMP.1, the potential problems that are included in the Saturday paper should be limited

²² <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/sixth_meeting_of_inventory_lead_reviewers.pdf>.

to problems identified with respect to the mandatory reporting requirements as stipulated in the annexes to decisions 13/CMP.1, 15/CMP.1, 16/CMP.1 and 19/CMP.1. They agreed that ERTs must give priority to the identification and discussion of potential problems earlier in the review week, with a view to ensuring consistency in their treatment of potential problems in the Saturday papers. The LRs requested the secretariat to update the Saturday paper template on the basis of the experience gained in the 2010 annual review cycle, to make it more informative and to develop standard text, where possible.

66. At the end of the review week, the ERT should clearly list in the Saturday paper potential problems identified and should clarify the nature of each problem in accordance with the principles of the IPCC good practice guidance, namely transparency, consistency, comparability, completeness and accuracy. The ERT should provide clear recommendations to the Party on how to solve the problems and should clearly indicate, where necessary, the need for the Party to submit revised estimates within the six-week deadline after the review week, in accordance with the Article 8 review guidelines, with a view to addressing identified potential problems. The review report will then be based on these revised estimates, if they are accepted by the ERT.

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

National systems

68. The LRs noted that the review of a Party's national system should focus on the changes in the 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 changes to the national system can be undertaken only through an in-country review and that, during a centralized review, the ERT may recommend an in-country review of the national system, in accordance with the Article 8 review guidelines.

69. With regard to 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 LRs noted with great concern that despite the fact that ERTs have focused during the reviews in the last few years on reviewing the national systems and have provided a number of recommendations to Parties on how to improve these systems and resolve any outstanding problems, not all of these recommendations have been implemented nor have all problems been fully resolved. The LRs requested the secretariat to organize in-country reviews in 2011 for Parties with outstanding issues and problems related to their national systems.

National registries and Kyoto Protocol units

70. The LRs acknowledged that no major changes in the national registries that would trigger a thorough technical review were identified during the 2010 annual review process. The LRs noted that, during the 2010 annual reviews, Parties that have chosen annual accounting were requested to either cancel assigned amount units and/or issue removal units on the basis of the result of the review of their KP-LULUCF activities. During the 2011 annual reviews, the ERTs should check how Parties fulfilled relevant notifications.

Activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol

71. The LRs concluded that the reporting and review of mandatory information on KP-LULUCF activities represent a major challenge for both the Parties, when preparing their inventories, and the ERTs, in the review process. Given the importance of providing further guidance on the issues related to the review of these activities and with the aim of assisting the ERTs to facilitate a consistent application of the Article 8 review guidelines, the LRs recommended that ERTs take into account the following additional guidance on addressing possible problems relating to KP-LULUCF activities:

(a) Carbon pool reported as not estimated: if a Party does not provide verifiable documentation demonstrating that a carbon pool for which estimates are not provided is not a net source of emissions, the ERT should then request that Party to provide additional information to demonstrate that this pool is not a net source within the time frame established in the Article 8 review guidelines. The ERT should then analyse the provided information, taking into account national circumstances;

(b) Demonstration that afforestation/reforestation and deforestation activities are directly human induced: the ERT should assess whether a Party has demonstrated that such activities are directly human induced. In particular, ERTs should assess whether such activities reported by Parties on land classified as abandoned managed land are directly human induced. ERTs may request further information justifying that these activities are directly human induced;

(c) ERTs should assess, where appropriate, whether the IPCC good practice guidance for LULUCF has been applied in a manner consistent with relevant decisions of the CMP (e.g. decision 16/CMP.1). In the case of the guidance provided in the IPCC good practice guidance for LULUCF being inconsistent with the provisions of relevant decisions of the CMP, the decisions take precedence;

(d) Provision of transparent and complete information on methodologies for land representation in accordance with the IPCC good practice guidance for LULUCF, including KP-LULUCF: when assessing information on land representation, ERTs should consider whether transparent information has been provided showing that: (i) activity data are reported in a complete and consistent way (e.g. the sum of the total reported areas is constant over time); (ii) lands and units of lands are identifiable and tracked over time, with supplementary information provided if the approach for land-use representation is not spatially explicit; and (iii) the level of disaggregation of the land use and land-use change matrices is adequate to assess the reported estimates.

72. The time frame and procedures set out in the Article 8 review guidelines are demanding and Parties may face difficulties in fully implementing the recommendations of the ERTs on how to solve problems that may lead to adjustments if they remain unresolved. This is particularly true for problems identified with regard to KP-LULUCF activities, which are usually more complex and may require more time to be fully resolved. The ERT should provide a recommendation on how to resolve the issue fully in line with the IPCC good practice guidance for LULUCF, but the ERT could accept an estimate provided by the Party which is clearly not an underestimate of emissions or an overestimate of removals.

73. The LRs noted that Parties that have chosen to account for KP-LULUCF activities at the end of the commitment period must report inventory information on these activities on an annual basis. The reporting must be in accordance with the reporting requirements of decision 15/CMP.1. If a Party does not provide information in line with these requirements, the ERT should request the Party to provide an improvement plan within the time frame set out in the Article 8 review guidelines in order to ensure that the Party will be in a position to provide quality estimates for these activities as soon as possible. If the improvement plan

does not sufficiently resolve the potential problem identified by the ERT in this context during the review, the ERT could raise this as a question of implementation.

Selection of countries for in-country reviews in 2011, timeline and the annual report to the Subsidiary Body for Scientific and Technological Advice

74. The LRs took note of the secretariat's plans to give priority in organizing the in-country reviews for 2011 to countries with some outstanding problems with their national systems, countries with a large number of potential problems identified during the 2010 annual reviews, countries with a long list of potentially not estimated or underestimated categories and/or adjustments, countries that base their inventories almost entirely on the use of IPCC tier 1 methods, countries that requested in-country reviews and countries for which the ERTs identified transparency issues with regard to higher-tier methods and models. The LRs endorsed these priorities.

75. The LRs reiterated the need for the consistent and rigorous implementation of the requirements and timelines set out in the Article 8 review guidelines by the Parties and the ERTs at the various stages in the review process, in order to be able to conclude the individual reviews, including adjustment procedures, if applied, within one year of the due date of the annual submissions under Article 7, paragraph 1, of the Kyoto Protocol.

76. The LRs agreed to attach priority to the completion of the status reports and 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 LRs also agreed to involve the relevant ERTs and to prepare the draft status reports within four weeks after the date of submission of the annual inventories, in accordance with the Article 8 review guidelines.

77. The LRs further agreed to continue to provide guidance to ERTs 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, where possible, resolving any possible problems. The LRs requested the secretariat to strive to provide ERTs with materials for the review, including the appropriate review report template, one month before the review.

78. The LRs agreed to the procedure presented by the secretariat for the preparation of the annual report by the LRs to the SBSTA in 2011, which is similar to that followed in 2010, with suggestions on how to improve the review process in accordance with the Article 8 review guidelines.

79. The full text of the conclusions of the eighth LRs' meeting is available on the UNFCCC website.²³

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

80. The CMP, by its decision 15/CMP.1, annex, paragraph 26, requested the secretariat to compile the supplementary information submitted annually by Parties relating to how they are striving, under Article 3, paragraph 14, of the Kyoto Protocol, to implement their 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

²³ <http://unfccc.int/files/national_reports/annex_i_ghg_inventories/review_process/application/pdf/con_rec.8.pdf>.

Parties, particularly those identified in Article 4, paragraphs 8 and 9, of the Convention, and information on any changes that have occurred compared with the information reported in their previous submissions.

81. 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 the annex to 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.²⁴

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

82. 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 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.

83. 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. In the NIR of its 2011 submission,²⁵ Iceland reported the information required by decision 14/CP.7 indicated in paragraph 82 above.

84. 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 2011²⁶ to allow comparisons with the information submitted by Iceland in its 2011 submission.

²⁴ <<http://unfccc.int/resource/webdocs/art314/2011.pdf>>.

²⁵ Pages 86–92 and 282–289 of the NIR, available at <http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/5888.php>.

²⁶ <<http://unfccc.int/resource/webdocs/sai/2011.pdf>>.