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Item 3 (e) of the provisional agenda

Methodological issues

Issues relating to Articles 7 and 8 of the Kyoto Protocol

Additions to the guidelines for the preparation of the information required under Article 7, and the guidelines for the review of information under Article 8, of the Kyoto Protocol relating to the modalities and procedures for afforestation and reforestation as specified in the annex to decision 19/CP.9

Note by the secretariat

Summary

The Conference of the Parties (COP), by its decision 19/CP.9 on modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol, requested the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its twentieth session, to ensure that these modalities and procedures are incorporated into the guidelines under Articles 7 and 8 of the Kyoto Protocol, in accordance with paragraph 4 of decision 22/CP.8.

This document provides a draft decision and proposed text to incorporate the modalities and procedures for afforestation and reforestation mentioned above into the relevant sections of the guidelines under Articles 7 and 8 of the Kyoto Protocol.

The SBSTA may wish to endorse the proposed text, and forward a decision to incorporate this text into the guidelines under Articles 7 and 8 for adoption by the COP at its tenth session.

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Introduction

A. Mandate

1. The Conference of the Parties (COP), at its eighth session, completed the final sections of the guidelines under Articles 7 and 8 of the Kyoto Protocol:
 - (a) The section on “Information on emission reduction units, certified emission reductions, assigned amount units and removal units” and the section on “National registries”, as contained in annex I to decision 22/CP.8;
 - (b) The section on “Review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units, certified emission reductions, assigned amount units and removal units” and the section on “Review of national registries”, as contained in annex II to decision 22/CP.8.
2. The COP, by the same decision 22/CP.8, also requested the Subsidiary Body for Scientific and Technological Advice (SBSTA), at its twentieth session, to forward to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) a draft decision to incorporate into the sections of the guidelines mentioned above, any elements needed to reflect decisions of the COP or COP/MOP relating to definitions and modalities for including afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol.
3. The COP, by its decision 19/CP.9 on modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol, requested the SBSTA, at its twentieth session, to ensure that these modalities and procedures are incorporated into the guidelines under Articles 7 and 8 of the Kyoto Protocol, in accordance with paragraph 4 of decision 22/CP.8.

B. Scope of the note

4. The annex to this document contains a draft decision to incorporate the modalities and procedures for afforestation and reforestation agreed by the COP at its ninth session into the relevant sections of guidelines under Articles 7 and 8 of the Kyoto Protocol, as adopted by decision 22/CP.8. Annexes I through IV of the draft decision contain the proposed text to incorporate these modalities and procedures into these guidelines.
5. The secretariat has made only minimum modifications necessary to reflect the modalities and procedures for afforestation and reforestation project activities agreed by the COP at its ninth session. All additions to the original text adopted by decision 22/CP.8 are indicated in bold in this document; deletions from the original text are indicated with a strike-through. No other substantive changes have been made to the text. However, for readability, the numbering of the annexes and paragraph numbers has been changed, and explanatory footnotes have been updated to reflect the new numbering.
6. The secretariat will issue a consolidated text of the guidelines under Articles 7 and 8 of the Kyoto Protocol, including the sections contained in the annexes to the draft decision annexed to this document, following their approval.

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

7. The SBSTA may wish to endorse the proposed text to incorporate the modalities and procedures for afforestation and reforestation project activities, and forward a draft decision on this matter for adoption by the COP at its tenth session.

Annex

Draft decision -/CP.10

Incorporation of the modalities and procedures for afforestation and reforestation project activities under the clean development mechanism into the guidelines under Articles 7 and 8 of the Kyoto Protocol¹

The Conference of the Parties,

Recalling its decisions 19/CP.7, 22/CP.7, 23/CP.7, 22/CP.8 and 19/CP.9,

Noting the relevant provisions of the Kyoto Protocol to the United Nations Framework Convention on Climate Change, in particular its Articles 7 and 8,

Decides to replace:

- (a) In the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol, the section on “Information on emission reduction units, certified emission reductions, assigned amount units and removal units”² adopted by decision 22/CP.8, with the text contained in annex I to this decision;
- (b) In the guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol, the section on “National registries”³ adopted by decision 22/CP.8, with the text contained in annex II to this decision;
- (c) In the guidelines for review under Article 8 of the Kyoto Protocol, the section on “Review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units, certified emission reductions, assigned amount units and removal units”⁴ adopted by decision 22/CP.8, with the text contained in annex III to this decision;
- (d) In the guidelines for review under Article 8 of the Kyoto Protocol, the section on “Review of national registries”⁵ as adopted by decision 22/CP.8, with the text contained in annex IV to this decision.

¹ A consolidated text of draft decisions forwarded to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for adoption will be issued to include these additional sections in one document.

² This section will be incorporated in section “E. Information on emission reduction units, certified emission reductions, assigned amount units and removal units” (annex to draft decision -/CMP.1 (*Article 7*) attached to decision 22/CP.7 (FCCC/CP/2001/13/Add.3)).

³ This section will be incorporated in section “E. National Registries” (annex to draft decision -/CMP.1 (*Article 7*) attached to decision 22/CP.7 (FCCC/CP/2001/13/Add.3)).

⁴ This section will be incorporated in “Part III: Review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units, certified emission reductions, assigned amount units and removal units” (annex to draft decision -/CMP.1 (*Article 8*) attached to decision 23/CP.7 (FCCC/CP/2001/13/Add.3)).

⁵ This section will be incorporated in “Part V: Review of national registries” (annex to draft decision -/CMP.1 (*Article 8*) attached to decision 23/CP.7 (FCCC/CP/2001/13/Add.3)).

ANNEX I

I. Reporting of supplementary information under Article 7, paragraph 1

Information on emission reduction units, certified emission reductions, **temporary certified emission reductions, long-term certified emission reductions**, assigned amount units and removal units¹

1. Each Party included in Annex I that is considered to have met the requirements to participate in the mechanisms shall report the supplementary information in this section of the guidelines beginning with information for the first calendar year in which it transferred or acquired emission reduction units (ERUs), certified emission reductions (CERs), **temporary certified emission reductions (tCERs), long-term certified emission reductions (lCERs)**, assigned amount units (AAUs) and removal units (RMUs) in accordance with decision *-/CMP.1 (Modalities for the accounting of assigned amounts)*² and **decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)***. This information shall be reported in conjunction with the inventory submission due under the Convention in the following year and until the first inventory submission due under the Protocol.

2. Each Party included in Annex I shall report, in a standard electronic format, the following information on ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs from its national registry for the previous calendar year (based on Universal Time), distinguishing between units valid for different commitment periods:

- (a) The quantities of ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs in each account type specified in paragraph 21 (a) and (c) to (f) of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)* and **paragraphs 43 and 47 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)***, and the quantities of ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs in all accounts of the type referred to in paragraph 21 (b) of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)*, at the beginning of the year;
- (b) The quantity of AAUs issued on the basis of the assigned amount pursuant to Article 3, paragraphs 7 and 8;
- (c) The quantity of ERUs issued on the basis of Article 6 projects and the corresponding quantities of AAUs and RMUs that were converted to ERUs;
- (d) The quantity of ERUs issued in accordance with paragraph 24 of the annex to decision *-/CMP.1 (Article 6)* on the basis of Article 6 projects, verified under the supervision of the Article 6 supervisory committee, and the corresponding quantities of AAUs and RMUs that were converted to ERUs;

¹ These terms are defined in paragraphs 1–4 of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)* and **paragraph 1 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)***.

² In accordance with paragraph 40 of the annex to decision 19/CP.9 (*Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol*), unless otherwise stated in that annex, all other provisions that pertain to certified emission reductions in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amount under Article 7.4, also apply to temporary certified emission reductions and long-term certified emission reductions.

- (e) The quantities of ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs acquired from each transferring registry; ~~the quantity of CERs acquired as a result of afforestation and reforestation activities under Article 12 shall be identified separately from acquisitions of other CERs;~~
- (f) The quantity of RMUs issued on the basis of each activity under Article 3, paragraphs 3 and 4;
- (g) The quantities of ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs transferred to each acquiring registry; ~~the quantity of CERs transferred as a result of afforestation and reforestation activities under Article 12 shall be identified separately from transfers of other CERs~~
- (h) The quantity of ERUs transferred in accordance with paragraph 10 of the annex to decision 18/CP.7;
- (i) The quantities of ERUs, CERs, AAUs and RMUs cancelled under paragraph 32 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) on the basis of each activity under Article 3, paragraphs 3 and 4;
- (j) The quantities of ERUs, CERs, AAUs and RMUs cancelled under paragraph 37 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) following determination by the Compliance Committee that the Party is not in compliance with its commitment under Article 3, paragraph 1;
- (k) The quantities of other ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs cancelled under paragraph 33 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*);
- (l) The quantities of ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs retired;
- (m) **The quantity of tCERs that expired in its retirement account and tCER replacement account;**
- (n) **The quantity of ICERs that expired in its retirement account and ICER replacement account;**
- (o) **The quantities of ERUs, CERs, tCERs, AAUs and RMUs transferred to the tCER replacement account in accordance with paragraph 44 of the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*);**
- (p) **(The quantities of ERUs, CERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 48 of the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*);**
- (q) **The quantities of ERUs, CERs, ICERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 49 of the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*);**
- (r) **The quantities of ERUs, CERs, ICERs, AAUs and RMUs transferred to the ICER replacement account in accordance with paragraph 50 of the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*);**

- (s) The quantities of ERUs, CERs and AAUs carried over from the previous commitment period;
- (t) The quantities of ERUs, CERs, **tCERS, ICERs**, AAUs and RMUs in each account type specified in paragraph 21 (a) and (c) to (f) of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)* **and paragraphs 43 and 47 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)***, and the quantities of ERUs, CERs, **tCERS, ICERs**, AAUs and RMUs in all accounts of the type referred to in paragraph 21 (b) of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)*, at the end of the year.

3. Each Party included in Annex I shall report on any discrepancies identified by the transaction log pursuant to paragraph 43 of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)* **and 54 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)***, specifying whether the relevant transactions were completed or terminated and, in the case where transactions were not terminated, the transaction number(s) and serial numbers and quantities of ERUs, CERs, AAUs and RMUs concerned. The Party may also provide its explanation for not terminating the transaction.

4. **Each Party included in Annex I shall report on any notification it has received from the Executive Board of the CDM directing the Party to replace ICERs in accordance with paragraph 49 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)*, specifying the quantities and serial numbers of AAUs, CERs, ERUs, RMUs and ICERs from the same project activity that were transferred to the ICER replacement account in relation to each such notification.**

5. **Each Party included in Annex I shall report on any notification it has received from the Executive Board of the CDM directing the Party to replace ICERs in accordance with paragraph 50 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)*, specifying the quantities and serial numbers of AAUs, CERs, ERUs, RMUs and ICERs from the same project activity that were transferred to the ICER replacement account in relation to each such notification.**

6. **Each Party included in Annex I shall report on any record of non-replacement identified by the transaction log in accordance with paragraph 56 of the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)*, specifying whether the replacement was subsequently undertaken and, in the case where replacement was not undertaken, the serial numbers and quantities of the tCERS and ICERs concerned. The Party may also provide its explanation for not undertaking the replacement.**

7. Each Party included in Annex I shall report the serial numbers and quantities of ERUs, CERs, **tCERS, ICERs**, AAUs and RMUs held in the national registry at the end of that year that are not valid for use towards compliance with commitments under Article 3, paragraph 1, pursuant to paragraph 43 (b) of the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)*.

8. Each Party included in Annex I shall report on any actions and the date of such actions taken to correct any problem that caused a discrepancy to occur, any changes to the national registry to prevent a discrepancy from reoccurring, and the resolution of any previously identified questions of implementation pertaining to transactions.

9. Each Party included in Annex I shall report the calculation of its commitment period reserve in accordance with the annex to decision 18/CP.7.

10. Each Party included in Annex I shall provide access, upon request of expert review teams, to information held in the national registry relating to holding accounts referred to in paragraph 21 (b) of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), and other types of accounts and transactions for the previous calendar year, that substantiates the supplementary information reported under paragraphs 2 and 3 above.

11. Each Party included in Annex I shall, for the year of submission of the annual inventory for the last year of the commitment period, report the supplementary information described in this section of the guidelines that relates to the accounting of assigned amounts for that commitment period, in conjunction with the report upon expiration of the additional period for fulfilling commitments referred to in paragraph 49 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*).

ANNEX II

II. Reporting of supplementary information under Article 7, paragraph 2National registries

1. Each Party included in Annex I shall provide a description of how its national registry performs the functions defined in the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*)¹ **and the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)**, and complies with the requirements of the technical standards for data exchange between registry systems as adopted by the COP/MOP. The description shall include the following information:

- (a) The name and contact information of the registry administrator designated by the Party to maintain the national registry;
- (b) The names of the other Parties with which the Party cooperates by maintaining their national registries in a consolidated system;
- (c) A description of the database structure and capacity of the national registry;
- (d) A description of how the national registry conforms to the technical standards for data exchange between registry systems for the purpose of ensuring the accurate, transparent and efficient exchange of data between national registries, the clean development mechanism registry and the transaction log (decision 19/CP.7, paragraph 1);²
- (e) A description of the procedures employed in the national registry to minimize discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs, **tCERs**, **ICERs**, AAUs and/or RMUs, and of the steps taken to terminate transactions where a discrepancy is notified and to correct problems in the event of a failure to terminate the transactions;
- (f) **A description of the procedures employed in the national registry to minimize any non-replacement of tCERs and/or ICERs, and of the steps taken to undertake replacement where a record of non-replacement has been sent to the Party and to correct problems in the event of a failure to undertake the replacement.**
- (g) An overview of security measures employed in the national registry to prevent unauthorized manipulations and to prevent operator error and of how these measures are kept up to date;
- (h) A list of the information publicly accessible by means of the user interface to the national registry;
- (i) The Internet address of the interface to its national registry;

¹ In accordance with paragraph 40 of the annex to decision 19/CP.9 (*Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol*), unless otherwise stated in that annex, all other provisions that pertain to certified emission reductions in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amount under Article 7.4, also apply to temporary certified emission reductions and long-term certified emission reductions.

² See decision 24/CP.8.

- (j) A description of measures taken to safeguard, maintain and recover data in order to ensure the integrity of data storage and the recovery of registry services in the event of a disaster;
- (k) The results of any test procedures that might be available or developed with the aim of testing the performance, procedures and security measures of the national registry undertaken pursuant to the provisions of decision 19/CP.7 relating to the technical standards for data exchange between registry systems.

ANNEX III

Part III: Review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units, certified emission reductions, **temporary certified emission reductions, long-term certified emission reductions**, assigned amount units and removal units

A. Purpose

1. The purpose of this review is:
 - (a) To provide an objective, consistent, transparent and comprehensive technical assessment of annual information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, emission reduction units (ERUs), certified emission reductions (CERs), **temporary certified emission reductions (tCERs), long-term certified emission reductions (lCERs)**, assigned amount units (AAUs) and removal units (RMUs) for conformity with the provisions of the annexes to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*)¹ and decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*), with the technical standards for data exchange between registry systems and any further guidance adopted by the COP/MOP, and with section I.E of the annex to decision -/CMP.1 (*Article 7*);
 - (b) To ensure that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the Compliance Committee have reliable information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs of each Party included in Annex I.

B. General procedures

2. The review of information on assigned amounts pursuant to Article 3, paragraphs 7 and 8, ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs, shall comprise the following procedures:
 - (a) A thorough review of the calculation of assigned amounts pursuant to Article 3, paragraphs 7 and 8, as reported in accordance with paragraph 6 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) as part of the initial review of each Party included in Annex I performed in accordance with the procedures contained in part I of these guidelines;
 - (b) An annual review of the information on ERUs, CERs, **tCERs, lCERs**, AAUs and RMUs and of information on discrepancies reported in accordance with section I.E of the annex to decision -/CMP.1 (*Article 7*) for each Party included in Annex I;
 - (c) A desk or centralized review of the information of each Party included in Annex I to be reported upon expiration of the additional period for fulfilment of commitments in

¹ In accordance with paragraph 40 of the annex to decision 19/CP.9 (*Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol*), unless otherwise stated in that annex, all other provisions that pertain to certified emission reductions in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amount under Article 7.4, also apply to temporary certified emission reductions and long-term certified emission reductions.

accordance with paragraph 49 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) and of the information referred to in paragraph 11² of the annex to decision -/CMP.1 (*Article 7*).

C. Scope of the review

3. For each Party:

- (a) The initial review shall cover the calculation of its assigned amount pursuant to Article 3, paragraphs 7 and 8, as reported in accordance with paragraph 6 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*);
- (b) The annual review shall cover the:
 - (i) Information on ERUs, CERs, **tCERS, ICERS**, AAUs and RMUs reported in accordance with section I.E of the annex to the decision -/CMP.1 (*Article 7*);
 - (ii) Transaction log records, including records of any discrepancies forwarded to the secretariat by the transaction log pursuant to paragraph 43 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), **and any records of non-replacement forwarded by the transaction log in accordance with paragraph 56 of the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)**, including records of any discrepancies **or non-replacement** that were forwarded to the secretariat since the start of the previous review and until the start of the review;
 - (iii) Information contained in the national registry that substantiates or clarifies the information reported. For this purpose Parties included in Annex I shall provide the expert review team with effective access to their national registry during the review. The relevant parts of paragraphs 9 and 10 of part I of these guidelines shall also apply to this information;
- (c) The review upon expiration of the additional period for fulfilling commitments shall cover the report upon expiration of the additional period for fulfilling commitments in accordance with paragraph 49 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) **and decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)**, including the information reported under paragraph 8 **11**³ of the annex to decision CMP.1 (*Article 7*), and shall include oversight of the preparation of the final compilation and accounting report for that Party published by the secretariat.

1. Identification of problems

4. During the initial review the expert review team shall assess whether:

- (a) The information is complete and submitted in accordance with the relevant provisions of paragraphs 6, 7 and 8 of the annex to decision -/CMP.1 (*Modalities of accounting for*

² This paragraph notation refers to paragraph 11 of annex I to this present decision. The number of this paragraph will change once annex I is incorporated into the guidelines under Article 7 of the Kyoto Protocol.

³ This paragraph notation refers to paragraph 11 of annex I to this present decision. The number of this paragraph will change once annex I is incorporated into the guidelines under Article 7 of the Kyoto Protocol

assigned amounts), section I of the annex to decision -/CMP.1 (*Article 7*), and relevant decisions of the COP/MOP;

- (b) The assigned amount pursuant to Article 3, paragraphs 7 and 8, is calculated in accordance with the annex to decision -/CMP.1 (*Modalities of accounting for assigned amounts*), and is consistent with reviewed and adjusted inventory estimates;
 - (c) The calculation of the required level of the commitment period reserve is in accordance with paragraph 6 of the annex to decision 18/CP.7.
5. During the annual review the expert review team shall assess whether:
- (a) The information is complete and submitted in accordance with section I.E of the annex to decision -/CMP.1 (*Article 7*) and relevant decisions of the COP/MOP;
 - (b) The information relating to issuance, cancellations, retirement, transfers, acquisitions, **replacement** and carry-over is consistent with information contained in the national registry of the Party concerned and with the records of the transactions log;
 - (c) The information relating to transfers and acquisitions between national registries is consistent with the information contained in the national registry of the Party concerned and with the records of the transaction log, and with information reported by the other Parties involved in the transactions;
 - (d) The information relating to acquisitions of CERs, **tCERs**, and **ICERs** from the CDM registry is consistent with the information contained in the national registry of the Party concerned and with the records of the transaction log, and with the CDM registry;
 - (e) ERUs, CERs, AAUs and RMUs have been issued, acquired, transferred, cancelled, retired, or carried over to the subsequent or from the previous commitment period in accordance with the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*);
 - (f) **tCERs and ICERs have been issued, acquired, transferred, cancelled, retired and replaced, in accordance with the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) and the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*).**
 - (g) The information reported under paragraph 2 (a)⁴ of section I.E. in the annex to decision -/CMP.1 (*Article 7*) on the quantities of units in accounts at the beginning of the year is consistent with information submitted the previous year, taking into account any corrections made to such information, on the quantities of units in accounts at the end of the previous year;
 - (h) The required level of the commitment period reserve, as reported, is calculated in accordance with paragraph 6 of the annex to decision 18/CP.7;
 - (i) The assigned amount is calculated to avoid double accounting in accordance with paragraph 9 of the annex to decision -/CMP.1 (*Land use, land-use change and forestry*);

⁴ This paragraph notation refers to paragraph 2 (a) of annex I to this present decision. The number of this paragraph will change once annex I is incorporated into the guidelines under Article 7 of the Kyoto Protocol.

- (j) Any discrepancy has been identified by the transaction log relating to transactions initiated by the Party, and if so the expert review team shall:
- (i) Verify that the discrepancy has occurred and been correctly identified by the transaction log;
 - (ii) Assess whether the same type of discrepancy has occurred previously for that Party;
 - (iii) Assess whether the transaction was completed or terminated;
 - (iv) Examine the cause of the discrepancy and whether the Party or Parties has or have corrected the problem that caused the discrepancy;
 - (v) Assess whether the problem that caused the discrepancy relates to the capacity of the national registry to ensure the accurate accounting, issuance, holding, transfer, acquisition, cancellation, **replacement** and retirement of ERUs, CERs, **tCERS, ICERs**, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs, and if so, initiate a thorough review of the registry system in accordance with part V of these guidelines.
- (k) **Any record of non-replacement has been sent to the Party by the transaction log in relation to tCERs or ICERs held by the Party, and if so the expert review team shall:**
- (i) **Verify that the non-replacement has occurred and been correctly identified by the transaction log;**
 - (ii) **Assess whether the same type of non-replacement has occurred previously for that Party;**
 - (iii) **Assess whether the replacement was subsequently undertaken;**
 - (iv) **Examine the cause of the non-replacement and whether the Party has corrected the problem that caused the non-replacement;**
 - (v) **Assess whether the problem that caused the non-replacement relates to the capacity of the national registry to ensure the accurate accounting, holding, transfer, acquisition, cancellation, replacement and retirement of ERUs, CERs, tCERS, ICERs, AAUs and RMUs, and if so, initiate a thorough review of the registry system in accordance with part V of these guidelines.**

6. During the review upon expiration of the additional period for fulfilling commitments, the expert review team shall review the information submitted by the Party under Article 7, paragraph 1, to assess whether:

- (a) The information is reported in accordance with paragraph 49 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*);
- (b) The information is consistent with the information contained in the compilation and accounting database maintained by the secretariat and with the information contained in the Party's registry;

- (c) There are any problems or inconsistencies in the information provided by the Party in accordance with paragraph 5 above;
- (d) **The quantity of AAUs, CERs, tCERs, ERUs and RMUs transferred into the tCER replacement account during the commitment period is equal to the quantity of tCERs in the retirement account and the tCER replacement account that expired during the commitment period;**
- (e) **The quantity of AAUs, CERs, ICERs, ERUs and RMUs transferred into the ICER replacement account during the commitment period is equal to the quantity of ICERs in the retirement account and the ICER replacement account that expired during the commitment period, plus the quantity of ICERs identified by the Executive Board of the CDM as requiring replacement within the registry during the commitment period;**

7. During the review upon expiration of the additional period for fulfilling commitments, the expert review team shall review the information submitted in accordance with paragraph 8 ⁵ of the annex to decision -/CMP.1 (*Article 7*) in accordance with paragraph 5 above.

8. Following the completion of the steps set out in paragraph 6 above and, if possible, resolution of any problems relating to the reported information, and taking account of the information contained in the compilation and accounting database maintained by the secretariat, the expert review team shall assess whether aggregate anthropogenic carbon dioxide equivalent emissions for the commitment period exceed the quantities of ERUs, CERs, **tCERs**, **ICERs**, AAUs, and RMUs in the retirement account of the Party for the commitment period.

D. Timing

9. The review of the calculation of assigned amount pursuant to Article 3, paragraphs 7 and 8, as part of the initial review shall be concluded within one year of the due date for submission of the report to facilitate the calculation of the assigned amount pursuant to Article 3, paragraphs 7 and 8, referred to in paragraph 6 of the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) and shall follow the time frames and procedures established in paragraph 10 below.

10. The annual review of the information on ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs reported in accordance with section I.E of the annex to decision -/CMP.1 (*Article 7*) shall be concluded within one year of the due date for the submission of the information under Article 7, paragraph 1, and include the following steps:

- (a) The expert review team shall list all problems identified, indicating which problems would need corrections to previous accounting of AAUs, ERUs, CERs, **tCERs**, **ICERs**, or RMUs, and send this list to the Party included in Annex I no later than 25 weeks from the due date for submission of the annual inventory, if the information was submitted within six weeks after the submission due date;
- (b) The Party included in Annex I shall comment on these questions within six weeks and, where requested by the review team, may provide revisions to the accounting of AAUs, ERUs, CERs, **tCERs**, **ICERs**, or RMUs. The expert review team shall prepare a draft

⁵ This paragraph notation refers to paragraph 11 of annex I to this present decision. The number of this paragraph will change once annex I is incorporated into the guidelines under Article 7 of the Kyoto Protocol.

review report within eight weeks of the receipt of the comments on the questions posed and shall send the draft report to the Party concerned for comments;

- (c) The Party included in Annex I shall provide its comments on the draft review report within four weeks of receipt of the report. The expert review team shall prepare a final review report within four weeks of the receipt of the comments on the draft report.

11. The review of the report upon expiration of the additional period for fulfilling commitments and of the information submitted in accordance with paragraph 8 **11**⁶ of the annex to decision -/CMP.1 (*Article 7*) shall be completed within 14 weeks of the due date for the submission of the information. The expert review team shall prepare a draft report within eight weeks of the due date for submission of the information. The Party concerned may comment on the draft report within four weeks of its receipt. The expert review team shall prepare a final review report within two weeks of receipt of comments on the draft report by the Party.

E. Reporting

12. The final review reports referred to in paragraphs 10 and 11 above shall include an assessment of the specific problems identified in accordance with paragraphs 4 to 8 above and shall follow the format and outline contained in paragraph 48 of part I of these guidelines, as appropriate.

⁶ This paragraph notation refers to paragraph 11 of annex I to this present decision. The number of this paragraph will change once annex I is incorporated into the guidelines under Article 7 of the Kyoto Protocol.

ANNEX IV

Part V: Review of national registries**A. Purpose**

1. The purpose of the review of national registries is:
 - (a) To provide a thorough and comprehensive technical assessment of the capacity of a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation, **replacement** and retirement of ERUs, CERs, **tCERs**, **ICERs**, AAUs and RMUs and the carry-over of ERUs, CERs and AAUs;
 - (b) To assess the extent to which the registry requirements contained in the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*)¹, and **the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)** and any decisions by the COP/MOP have been adhered to, and to assist Parties included in Annex I in meeting their commitments;
 - (c) To assess the extent to which the national registry conforms to the technical standards for data exchange between registry systems adopted by the COP/MOP;
 - (d) To provide the COP/MOP and the Compliance Committee with reliable information on national registries.

B. General procedures

2. The review of national registries shall take place in two parts:
 - (a) A thorough review of the national registry as part of the initial review in accordance with paragraphs 11 to 14 in part I of these guidelines and in conjunction with its periodic review;
 - (b) A desk or centralized review of any changes of the national registry reported in accordance with section I.G of the annex to decision -/CMP.1 (*Article 7*) in conjunction with the annual review.
3. A thorough review of the national registry shall also be conducted if the final review reports under paragraph 48 in part I of these guidelines recommend a thorough review of the national registry or if findings relating to reported changes in national registries considered by the expert review team lead to the recommendation of a thorough review in the final review report. The expert review team shall use the standard set of electronic tests described in paragraph ~~48~~ **6** below for this purpose. An in-country visit shall be conducted only if standardized electronic tests are not sufficient to identify the problems.

¹ In accordance with paragraph 40 of the annex to decision 19/CP.9 (*Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol*), unless otherwise stated in that annex, all other provisions that pertain to certified emission reductions in the guidelines under Articles 7 and 8, as well as the modalities for the accounting of assigned amount under Article 7.4, also apply to temporary certified emission reductions and long-term certified emission reductions.

C. Scope of the review

4. The expert review team shall conduct a thorough and comprehensive review of the national registry of each Party included in Annex I. The review of the national registry should cover the extent to which the registry requirements contained in the annexes to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), **the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)** and the technical standards for data exchange between registry systems adopted by the COP/MOP have been adhered to.

1. Review of changes in the national registry

5. The expert review team shall review the information submitted as supplementary information under Article 7, paragraph 1, and shall identify any significant changes in the national registry reported by the Party or any problems identified by the expert review team in the course of the review of ERUs, CERs, **tCERs, ICERs**, AAUs and RMUs and transaction log records that may affect the performance of the functions contained in the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*), **the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)** and the adherence to the technical standards for data exchange between registry systems in accordance with relevant COP/MOP decisions. This review should take place in conjunction with the annual review in accordance with the relevant procedures in paragraphs ~~18 6~~ to ~~20 8~~ below.

2. Identification of problems

6. The expert review team shall review the national registry, including the information provided on it, to assess whether:

- (a) The information on the national registry is complete and submitted in accordance with section I of the annex to decision -/CMP.1 (*Article 7*), and with relevant decisions of the COP and the COP/MOP;
- (b) The registry conforms to the technical standards for data exchange between registry systems for the purpose of ensuring accurate, transparent and efficient exchange of data between national registries, the clean development registry and the independent transaction log;
- (c) The transaction procedures, including those relating to the transaction log, are in accordance with the modalities for the accounting of assigned amounts under Article 7, paragraph 4, contained in the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*) **and the annex to decision -/CMP.1 (*Afforestation and reforestation project activities under the CDM*)**;
- (d) There are adequate procedures to minimize discrepancies in the issuance, transfer, acquisition, cancellation and retirement of ERUs, CERs, **tCERs, ICERs**, AAUs and RMUs and to take steps to terminate transactions where a discrepancy is notified, and to correct problems in the event of a failure to terminate the transactions;
- (e) There are adequate security measures to prevent and resolve unauthorized manipulations and minimize operator error, and procedures for updating them;
- (f) Information is publicly available in accordance with the annex to decision -/CMP.1 (*Modalities for the accounting of assigned amounts*);

- (g) There are adequate measures to safeguard, maintain and recover data in order to ensure the integrity of data storage and the recovery of registry services in the event of a disaster.

7. During the thorough review, the expert review team shall use a test version of the transaction log and a standard set of electronic tests and sample data to assess the capacity of the registry to perform its functions, including all types of transactions, referred to in the annex to decision *-/CMP.1 (Modalities for the accounting of assigned amounts)* and the annex to decision *-/CMP.1 (Afforestation and reforestation project activities under the CDM)*, and to assess the adherence to the technical standards for data exchange between registry systems adopted by the COP/MOP. The expert review team may draw upon the results of any other testing relevant to the review of the registry.

8. Based on the assessments carried out in accordance with paragraphs ~~17~~ 6 and ~~18~~ 7 above, expert review teams shall identify any potential problems in, and factors influencing, the fulfilment of commitments relating to the performance of the functions of the national registry and the adherence to technical standards for data exchange between registry systems. In addition, the expert review team shall recommend how problems could be addressed.

D. Timing

9. During the thorough review, the expert review team shall list all the problems identified and shall notify the Party included in Annex I of the problems identified no later than six weeks after the start of the review or after the in-country visit, as appropriate. The Party included in Annex I shall comment on these problems within six weeks of the notification. The expert review team shall prepare a draft review report on the national registry within six weeks of the receipt of the comments on the questions posed. Any corrections, additional information or comments on the draft report received from the Party included in Annex I within four weeks after the report has been sent to that Party shall be subject to review and shall be included in the final inventory review report. The expert review team shall prepare a final report on the review of the national registry within four weeks of the receipt of the comments on the draft report. The review of the national registry shall be concluded within one year of the due date for submission of the information.

10. The review of changes in the national registry shall follow the time frames and procedures for the annual review of the information to be submitted in accordance with section I.E of the annex to decision *-/CMP.1 (Article 7)* established in part III of these guidelines. If either the annual review or the review of changes in the national registry recommends a thorough review of the national registry, and if a country visit is considered necessary, this thorough review should be conducted together with the subsequent in-country visit of either the annual inventory or the periodic national communication, whichever is the earlier.

E. Reporting

11. The final review reports shall include an evaluation of the overall functioning of the national registry and an assessment of the specific problems identified in accordance with paragraphs ~~18~~ 6 to ~~20~~ 8 above, and shall follow the format and outline in accordance with paragraph 48 of part I of these guidelines.
