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Report on the individual review of the report upon expiration of the additional period for fulfilling commitments (true-up period) for the first commitment period of the Kyoto Protocol of Hungary

According to decisions 13/CMP.1 and 3/CMP.10, each Party included in Annex I with a commitment inscribed in Annex B to the Kyoto Protocol (Annex B Party) shall submit to the secretariat prior to 2 January 2016 a report upon expiration of the additional period for fulfilling commitments for the first commitment period of the Kyoto Protocol (hereinafter referred to as the true-up period report). The true-up period report, prepared individually for each Annex B Party, aims to facilitate the assessment of whether the aggregate anthropogenic greenhouse gas emissions for the first commitment period exceed the quantities of Kyoto Protocol units valid for the first commitment period in the retirement account of that Party. This report presents the results of the individual review of the true-up period report submission of Hungary conducted by an expert review team in accordance with Article 8 of the Kyoto Protocol.

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I. Introduction

1. This report covers the review of the report upon expiration of the additional period for fulfilling commitments for the first commitment period of the Kyoto Protocol (hereinafter referred to as the true-up period report) of Hungary, conducted in accordance with the “Guidelines for review under Article 8 of the Kyoto Protocol” (hereinafter referred to as the Article 8 review guidelines).¹ The centralized review took place from 8 to 12 February 2016 in Bonn, Germany, and was conducted by the following team of nominated experts from the UNFCCC roster of experts: Mr. Mikhail Gitarskiy (Russian Federation); Ms. Baasansuren Jamsranjav (Mongolia); Mr. Tinus Pulles (Netherlands); and Mr. Hongwei Yang (China).² Ms. Jamsranjav and Mr. Gitarskiy were the lead reviewers. The review was coordinated by Mr. Tomoyuki Aizawa (UNFCCC secretariat).

2. In accordance with the Article 8 review guidelines, a draft version of this report was sent to the Government of Hungary, which made no comment on it.

II. Summary and general assessment of the report

3. Table 1 provides a summary of the assessment by the expert review team (ERT) of the true-up period report submission and additional documents submitted during the review, with respect to timeliness, completeness, consistency and compliance with the commitment under Article 3, paragraph 1, of the Kyoto Protocol. Specific findings to support this assessment are presented in more detail in table 2.

Table 1

The expert review team’s overall assessment of the true-up period report submission

<i>Element</i>	<i>Item</i>	<i>Fulfilled</i>	<i>Comments</i>
Timeliness	Did the Party submit the true-up period report and accompanying documents by 2 January 2016?	Yes	Date: 30 December 2015
Completeness	Is the submission complete?	Yes	
	Is the information reported in accordance with decision 13/CMP.1?	Yes	
Consistency	Is the reported information consistent with the compilation and accounting database and the Party’s registry?	Yes	
	Is the information provided by the Party (SEF tables, R2–R5 reports ^a) consistent with the ITL information?	Yes	
Compliance	Are the aggregate anthropogenic greenhouse gas emissions below or equal to the quantities of ERUs, CERs, tCERs, ICERs, AAUs and RMUs in the retirement account?	Yes	

¹ Annex to decision 22/CMP.1.

² Mr. Yang was involved in the review, but was unable to attend the centralized review in Bonn due to illness.

Abbreviations: AAU = assigned amount unit, CER = certified emission reduction, ERU = emission reduction unit, ITL = international transaction log, ICER = long-term CER, RMU = removal unit, SEF = standard electronic format, tCER = temporary CER.

^a Report R2 (list of discrepant transactions) provides information on any discrepancies identified by the ITL, and additional information required under decision 15/CMP.1, annex, paragraph 12; report R3 (list of clean development mechanism (CDM) notifications) provides information on any notification received by the Party from the Executive Board of the CDM, directing the Party to replace ICERs, in accordance with decision 15/CMP.1, annex, paragraphs 13 and 14; report R4 (list of non-replacements) provides information on any record of non-replacement identified by the ITL, and the additional information required under decision 15/CMP.1, annex, paragraph 15; and report R5 (list of invalid units) provides information on the quantities of Kyoto Protocol units held in the national registry that are not valid for use towards compliance with commitments under Article 3, paragraph 1, of the Kyoto Protocol, in accordance with decision 15/CMP.1, annex, paragraph 16.

III. Technical assessment of the elements reviewed

4. Hungary made its true-up period report submission on 30 December 2015; the submission contains the true-up period report, the standard electronic format (SEF) tables for the period 1 January to 18 November 2015, the SEF tables for 2014, reports R2–R5³ for the period 1 January to 18 November 2015, reports R2–R5 for 2014, the list of serial numbers for the Kyoto Protocol units in the retirement account at the end of the true-up period and the list of serial numbers for the emission reduction units (ERUs), certified emission reductions (CERs) and assigned amount units (AAUs) that the Party requests to be carried over to the second commitment period.

5. Table 2 contains the ERT assessment of the true-up period report submission of Hungary with respect to all elements reviewed. In that assessment, the ERT took note of the findings included in the true-up period independent assessment report (TUPAR) for the first commitment period of the Kyoto Protocol prepared by external assessors (registry system administrators). The TUPAR of Hungary was prepared and forwarded to the ERT during the review, pursuant to paragraph 5(a) of decision 16/CP.10.

Table 2

The expert review team's assessment of the elements reviewed

<i>Mandate^a</i>	<i>Reporting requirements</i>	<i>Fulfilled</i>	<i>Comments</i>
Decision 3/CMP.10, paragraph 3	The true-up period report for the first commitment period was submitted by 2 January 2016	Yes	
Decision 22/CMP.1, annex, paragraph 89(a)	The Party submitted information in accordance with decision 13/CMP.1, annex, paragraph 49	Yes	
Decision 13/CMP.1, annex, paragraph 49(a)	The Party submitted and made available to the public the SEF tables for 2015 and the total quantities of the categories of ERUs, CERs, AAUs and RMUs valid for the first commitment period listed in decision 13/CMP.1, annex, paragraph 47(a–j), for the period 1 January to 18 November 2015	Yes	
Decision 13/CMP.1,	The Party submitted and made available to the	Yes	

³ Report R2 (list of discrepant transactions) identified by the international transaction log (ITL); report R3 is a list of notifications received from the Executive Board of the clean development mechanism directing the Party to replace long-term certified emission reductions; report R4 is a list of non-replacements identified by the ITL; report R5 is a list of units held in the national registry that are not valid for use towards compliance.

<i>Mandate^a</i>	<i>Reporting requirements</i>	<i>Fulfilled</i>	<i>Comments</i>
annex, paragraph 49(b)	public the SEF tables for 2015 and the total quantity and serial numbers of ERUs, CERs, AAUs and RMUs valid for the first commitment period in its retirement account		
Decision 13/CMP.1, annex, paragraph 49(c)	The Party submitted and made available to the public the SEF tables for 2015 and the total quantity and serial numbers of ERUs, CERs and AAUs valid for the first commitment period which the Party requested to be carried over to the subsequent commitment period	Yes	
Decision 22/CMP.1, annex, paragraph 89(b)	The information submitted by the Party is consistent with the information contained in the compilation and accounting database and with the information contained in the Party's registry	Yes	
Decision 22/CMP.1, annex, paragraph 89(c)	Is the information submitted by the Party in accordance with decision 22/CMP.1, annex, paragraph 88, free of inconsistencies and problems?	Yes	
Decision 22/CMP.1, annex, paragraph 89(d), and decision 5/CMP.1, annex, paragraph 59(a)	The information submitted by the Party shows that the quantity of AAUs, CERs, tCERs, ERUs and RMUs transferred into the tCER replacement account for the commitment period is equal to the quantity of tCERs in the retirement account, and in the tCER replacement account, that expired at the end of the commitment period	Yes	
Decision 22/CMP.1, annex, paragraph 89(e), and decision 5/CMP.1, annex, paragraph 59(b)	The information submitted by the Party shows that the quantity of AAUs, CERs, ICERs, ERUs and RMUs transferred into the ICER replacement account for the commitment period is equal to the sum of the quantity of ICERs in the retirement account, and the quantity of ICERs in the ICER replacement account, that expired at the end of the commitment period, and the quantity of ICERs identified by the Executive Board of the CDM as requiring replacement within the registry for the commitment period	Yes	
Decision 22/CMP.1, annex, paragraph 90	The Party submitted the information requested in accordance with decision 15/CMP.1, annex, paragraph 20, and decision 22/CMP.1, annex, paragraph 88	Yes	
Decision 15/CMP.1, annex, paragraph 20	The Party submitted the R2–R5 reports ^b for 2015 or provided a reference in the true-up period report (section II) and the information is accurate	Yes	
Decision 15/CMP.1, annex, paragraph 11	The Party submitted the SEF tables for 2014 or provided a reference in the true-up period report (section II), and the information is accurate	Yes	

<i>Mandate^a</i>	<i>Reporting requirements</i>	<i>Fulfilled</i>	<i>Comments</i>
Decision 15/CMP.1, annex, paragraphs 12–16	The Party submitted the R2–R5 reports for 2014 or provided a reference in the true-up period report (section II), and the information is accurate	Yes	
Decision 15/CMP.1, annex, paragraph 17	The Party provided information in the true-up period report on actions to correct discrepancies, changes to the national registry to prevent discrepancies from reoccurring and resolution of previous questions of implementation pertaining to transactions (section IV.a), and the information is accurate	Yes	
Decision 15/CMP.1, annex, paragraph 18, and decision 22/CMP.1, annex, paragraph 88(h)	The Party provided information in the true-up period report on the calculation of the commitment period reserve (section IV.b), and the information is accurate	Yes	
Decision 22/CMP.1, annex, paragraph 91	The aggregate anthropogenic greenhouse gas emissions in the first commitment period are below or equal to the quantities of ERUs, CERs, tCERs, ICERs, AAUs and RMUs in the retirement account of the Party for the first commitment period	Yes	

Abbreviations: AAU = assigned amount unit, CDM = clean development mechanism, CER = certified emission reduction, ERU = emission reduction unit, ICER = long-term CER, RMU = removal unit, SEF = standard electronic format, tCER = temporary CER.

^a The requirement in decision 15/CMP.1, annex, paragraph 19, relating to the access of the expert review team to the information held in the national registry is voluntary and will be checked upon request; the requirement in decision 22/CMP.1, annex, paragraph 88(i), relating to the calculation of the assigned amount to avoid double accounting for some activities under Article 3, paragraph 4, of the Kyoto Protocol (cropland management, grazing land management and revegetation) is not part of the true-up period assessment because the requirement is assessed annually as a precondition for issuing RMUs for the selected activities.

^b Report R2 (list of discrepant transactions) provides information on any discrepancies identified by the international transaction log (ITL), and additional information required under decision 15/CMP.1, annex, paragraph 12; report R3 (list of CDM notifications) provides information on any notification received by the Party from the Executive Board of the CDM, directing the Party to replace ICERs, in accordance with decision 15/CMP.1, annex, paragraphs 13 and 14; report R4 (list of non-replacements) provides information on any record of non-replacement identified by the ITL, and the additional information required under decision 15/CMP.1, annex, paragraph 15; and report R5 (list of invalid units) provides information on the quantities of Kyoto Protocol units held in the national registry that are not valid for use towards compliance with commitments under Article 3, paragraph 1, of the Kyoto Protocol, in accordance with decision 15/CMP.1, annex, paragraph 16.

IV. Conclusions

6. The ERT concluded that the information provided by Hungary in its true-up period report submission covers all elements as required by decisions 13/CMP.1, 15/CMP.1, 3/CMP.10 and other relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.

7. On the basis of the assessment of the information submitted and decision 22/CMP.1, annex, paragraph 91, the ERT concluded that the aggregate anthropogenic greenhouse gas emissions of Hungary for the first commitment period do not exceed the quantities of ERUs, CERs, temporary CERs, long-term CERs, AAUs and removal units (RMUs) in the retirement account of Hungary for the first commitment period.

8. In its true-up period report submission, Hungary requests to carry over 166,996,521 AAUs, 5,336,676 CERs and 3,876,894 ERUs to the second commitment period of the Kyoto Protocol. The ERT concluded that the quantities of AAUs, CERs and ERUs requested to be carried over by the Party to the second commitment period are consistent with the requirements set out in decision 13/CMP.1, annex, paragraph 15.

V. Questions of implementation

9. No questions of implementation were identified by the ERT during the review.

Annex I

Key relevant data for the Party in the first commitment period

Table 3
Summary of key information for Hungary in the first commitment period

<i>Key parameters</i>	<i>Values^a</i>
Base year defined under the Kyoto Protocol ^b – CO ₂ , CH ₄ and N ₂ O/F-gases	1985–87/1995
Base year GHG emissions ^c (t CO ₂ eq)	115 397 149
Quantified emission limitation or reduction commitment in the first commitment period – Annex B (% of base year level)	94
Assigned amount established in accordance with Article 3, paragraph 7, of the Kyoto Protocol (t CO ₂ eq)	542 366 600
Total GHG emissions in the first commitment period (t CO ₂ eq)	335 956 338
Total amount of Kyoto Protocol units retired in the first commitment period (units)	335 956 338
Quantities of AAUs, CERs and ERUs that were available to be carried over to the second commitment period (units) on 19 November 2015	166 996 521 AAUs; 5 336 676 CERs; 3 876 894 ERUs
Quantities of AAUs, CERs and ERUs that are requested to be carried over to the second commitment period (units)	166 996 521 AAUs; 5 336 676 CERs; 3 876 894 ERUs

Abbreviations: AAU = assigned amount unit, CER = certified emission reduction, ERU = emission reduction unit, GHG = greenhouse gas, F-gases = fluorinated gases, t CO₂ eq = tonnes of carbon dioxide equivalent.

^a Source: compilation and accounting database, international transaction log or true-up period report submitted by the Party.

^b Parties included in Annex I may choose to use 1995 as the base year for total emissions of F-gases (hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride), in accordance with Article 3, paragraph 8, of the Kyoto Protocol.

^c Refers to the total base year GHG emissions used for the calculation of the assigned amount pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol.

Annex II

Documents and information used during the review

Reference documents

“Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol”. Annex to decision 13/CMP.1. Available at <http://unfccc.int/resource/docs/2005/cmp1/eng/08a02.pdf#page=23>.

“Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol”. Annex to decision 15/CMP.1. Available at <http://unfccc.int/resource/docs/2005/cmp1/eng/08a02.pdf#page=56>.

“Guidelines for review under Article 8 of the Kyoto Protocol”. Annex to decision 22/CMP.1. Available at <http://unfccc.int/resource/docs/2005/cmp1/eng/08a03.pdf#page=51>.

“Modalities and procedures for afforestation and reforestation project activities under the clean development mechanism in the first commitment period of the Kyoto Protocol”. Annex to decision 5/CMP.1. Available at <http://unfccc.int/resource/docs/2005/cmp1/eng/08a01.pdf#page=61>.

“Issues relating to registry systems under Article 7, paragraph 4, of the Kyoto Protocol”. Decision 16/CP.10. Available at <http://unfccc.int/resource/docs/cop10/10a02.pdf#page=64>.

“Date of the completion of the expert review process under Article 8 of the Kyoto Protocol for the first commitment period”. Decision 3/CMP.10. Available at <http://unfccc.int/resource/docs/2014/cmp10/eng/09a01.pdf#page=13>.

FCCC/ARR/2014/HUN. Report on the individual review of the annual submission of Hungary submitted in 2014. Available at <http://unfccc.int/resource/docs/2015/arr/hun.pdf>.

Annex III

Acronyms and abbreviations

AAU	assigned amount unit
CDM	clean development mechanism
CER	certified emission reduction
ERT	expert review team
ERU	emission reduction unit
GHG	greenhouse gas
ITL	international transaction log
ICER	long-term certified emission reduction
Report R2	list of discrepant transactions identified by the international transaction log
Report R3	list of notifications received from the Executive Board of the CDM directing the Party to replace long-term certified emission reductions
Report R4	list of non-replacements identified by the international transaction log
Report R5	list of units held in the national registry that are not valid for use towards compliance
RMU	removal unit
SEF	standard electronic format
tCER	temporary certified emission reduction
TUPAR	true-up period independent assessment report
UNFCCC	United Nations Framework Convention on Climate Change