

Final review under CP1 in 2014

Refresher Seminar

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Overview

- ❖ Context for the 2014 review
- ❖ Inventory review versus inventory accounting
- ❖ Special focus
 - ❖ KP-LULUCF
 - ❖ Saturday Paper
 - ❖ Adjustments



Why is 2014 Review Cycle not Unique?

- ❖ Same mandate- to carry out a thorough, objective and comprehensive technical assessment of Annex A sources, KP LULUCF, and additional supplementary information (decision 22/CMP.1)
- ❖ Carrying out generally the same procedures as previous annual reviews (e.g., review of methods, AD, emission factors) to determine if there are potential problems.
- ❖ Assuming the same (tight) timeline for completing ARRs, including adjustments, as in previous reviews.



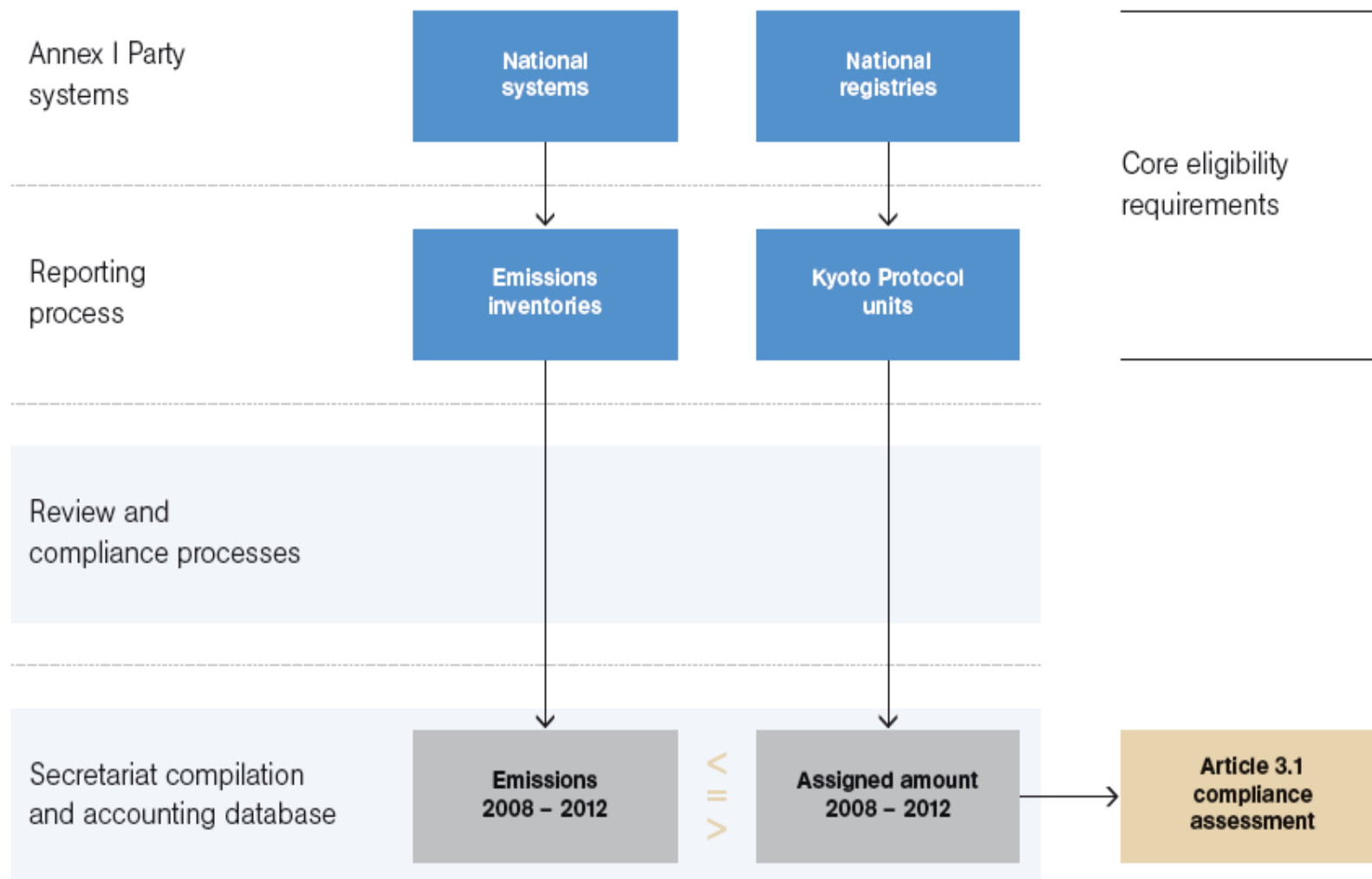
Why is 2014 Review Cycle Unique?

- ❖ Last review of the first commitment period
 - ❖ Last chance to ensure that emissions are not underestimated and the removals are not over-estimated (KP-LULUCF activities)
 - ✧ In many cases, first time that ERTs will have to make a final assessment for these activities
 - ❖ Last chance to apply adjustments for Annex A categories for the first commitment period.
 - ❖ Accounting (and adjustments) for KP-LULUCF activities for all KP Parties, including those that have chosen commitment period accounting.
 - ❖ Transition period, last year for using the Revised 1996 IPCC Guidelines and the 2000 IPCC good practice guidance and (potentially) decision 22/CMP.1
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Difference between Review of Inventory and Review of Accounting

Figure II-2. Overview of the Kyoto Protocol accounting and compliance



What will the ERT review?

- ❖ NIR and CRF tables;
 - ❖ Emissions and removals from LULUCF activities under Art. 3.3/3.4, and calculations of the amount to be issued and canceled from the assigned amount;
 - ❖ Commitment period reserve;
 - ❖ Changes in the Party's national system and national registry;
 - ❖ The Party's holdings of and transactions of Kyoto Protocol units for the previous calendar year, reported in the standard electronic format for reporting Kyoto units (SEF);
 - ❖ Information on how the Party is striving to implement commitments in such a way as to minimize adverse social, environmental and economic impacts on developing country Parties.
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Generally how will the 2014 review process work?

- ❖ Carry out review in a consistent manner to previous years of CP1, assessing consistency with the guidelines (UNFCCC and IPCC), TACCC- always with a view to see if there are potential problems...BUT
 - ❖ If potential problems identified and not addressed during the review week, list in the **Saturday Paper**.
 - ✧ Ensure that all problems leading to underestimates of mandatory categories (Annex A) and under/over estimates of net emissions/removals (KP-LULUCF activities) are included
 - ❖ If the Party doesn't address the potential problem listed in the SP within 6 weeks of the review, the ERT may calculate an '**adjustment**'.
 - ❖ As usual, If the ERT identifies a problem with a Party's implementation of a mandatory requirement that is not resolved by the Party during the review, the ERT shall list the problem as a 'question of implementation' in its final review report.
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What to focus on during 2014 review

- ❖ Follow up to previous recommendations
- ❖ Ensure completeness (gases/categories/subcategories) for mandatory categories for Annex A and KP-LULUCF activities
 - ❖ Use the Revised 1996 IPCC Guidelines and the IPCC good practice guidance.
 - ❖ The 2006 IPCC Guidelines is not applicable for CP1 (unless their use is appropriately justified as a country-specific method in the context of the 1996 GL/2000 GPG)!
- ❖ Recalculations leading to reductions for years 2008-2011
 - ❖ Need a first assessment and may lead to potential problems for 2008-2011
- ❖ KP-LULUCF activities



Where to be careful during the 2014 review

- ❖ Consider that we are entering a transition....
 - ✧ UNFCCC reporting guidelines will change for 2015 annual submission
 - ✧ CP2 reporting and accounting rules, which will apply to the 2015 annual submission, will change (e.g. decision 16/CMP.1 is mostly replaced by 2/CMP.7 and 6/CMP.9; new gases are included (NF_3), new GWP will be in use)
 - ✧ Consider this situation when establishing recommendations for 2015



SPECIFIC ISSUES KP-LULUCF



Review of KP LULUCF

- ❖ What must be reviewed: Parties must report two types of supplementary information related to activities under Art. 3.3 and 3.4 in their annual reports.
 - ✧ GHG inventory information= emissions and removals from these activities, and related methodological information.
 - ✧ Calculation of the accounting quantity for each activity (Table 7 of ARR template)
 - Parties with commitment period accounting: first time
 - Parties with annual accounting: recalculations
- ❖ If potential problems are identified this year, and the Party is unable to solve the issue an adjustment **MUST** be considered.
- ❖ Likely significant discussion on KP-LULUCF activities- is it consistent with decisions and the IPCC good practice guidance? Several cases of adjustments possible.
 - ✧ **PREPARE FOR THE REVIEW!**



Reporting/ Methodological Issues

- ❑ Largely the same methodologies as for LULUCF reporting under the Convention
- ❑ **Land representation:** Critical to be able to identify areas of land subject to 3.3 and 3.4
- ❑ **Pools** – reporting can be omitted if pool is not a net source provided Party provides verifiable information.
 - Can be reasoned through representative and verifiable sampling and analysis, sound knowledge of likely systems (e.g. afforestation or reforestation from cropland, the dead wood pool cannot decrease: typically no deadwood in cropland) and/or surveys of peer-reviewed literature (IPCC GPG for LULUCF)
 - DOM – Tier 1: no C stock changes – can be applied in accordance with the IPCC GPG LULUCF decision trees
 - ✧ key categories should be estimated using higher tiers
 - ✧ for significant subcategories the use of higher tiers is requested



- ❑ **Factoring out:** if applied?
- ❑ **Specific information to be reported for activities under Article 3, paragraph 3,** shall include information:
 - ❖ Demonstrating activities began between 1/1/1990 and 31/12/2012 and are directly human-induced
 - ❖ Harvesting or forest disturbance followed by re-establishment of a forest is distinguished from deforestation
 - ❖ Emissions and removals of GHGs from lands harvested during CP1 following A/R on these units of land since 1990

- ❑ **Specific information to be reported for any elected activities under Article 3, paragraph 4**, shall include the following information:
 - ❖ Demonstration that activities under Article 3.4 have occurred since 1/1/1990 and are human induced
 - ❖ Base year emissions provided for Parties electing CM, GM, RV
 - ❖ Demonstration that emissions/removals resulting from Art 3.4 activities are not accounted for under Article 3.3 activities.
 - ❖ For Parties electing FM, under, information that indicates to what extent the removals from FM offsets the debits under Article 3.3.

KP-LULUCF accounting

- ❖ Accounting rules for 3.3 and 3.4 activities- specific issues to consider:
 - ✧ 3.3: A/R: crediting, debits shall not be greater than credits
 - ✧ 3.4: Forest management
 - If 3.3 is a net source of emissions, may use FM to “offset emissions”. Up to 165 MtCO₂ eq for the CP (9.0 Mt X 5) if net removals under FM greater than 3.3 subject to the FM cap in decision 16/CMP.1
 - ✧ 3.4, CM, GM RV: Calculate net emissions = cumulative 2012 emissions – 5(base year emissions)
- ❖ ERT will review the final accounting quantity (Table 7 in ARR template)
- ❖ For Parties selecting annual accounting, the quantity of units to be issued or cancelled will be based on the accounting quantity in 2014 and the units previously issued or cancelled.



Useful references

- ❖ Decisions (15/CMP.1 and decision 16/CMP.1)
- ❖ IPCC Good Practice Guidance for LULUCF
- ❖ Kyoto Protocol Reference Manual on accounting of emissions and assigned amount
- ❖ KP-LULUCF Advisory Committee



THE SATURDAY PAPER



What could lead to a potential problem for an Annex A source?

- ❖ Only Annex A sources (e.g. not bunker fuels, LULUCF)
- ❖ Missing estimates, inconsistency with IPCC, or lack of transparency so you can't tell if an underestimate
 - ❖ Methodology and EF(s) must exist in Revised 1996 IPCC GL and/or IPCC GPG (not 2006 IPCC GL)!
- ❖ Ways you might identify a potential problem?
 - ❖ Categories reported as “NE,” or erroneously as “NO”, instead of “NE”
 - ❖ Transparency issues: undocumented methodology or unjustified (lower) EF
 - ❖ Accuracy issues: mistakes, AD out of date or incomplete (compared to international sources)
 - ❖ Time-series consistency



What could lead to a potential problem for KP LULUCF?

- ❖ Reporting issues for mandatory language (dec. 15/CMP.1, paras. 6-9 and 16/CMP.1)
 - ❖ Land representation: units of land and land areas are identifiable (e.g., boundaries), spatial assessment unit for determining area of accounting for 3.3 activities.
 - ❖ Pools not accounted for and no verifiable info. demonstrating not a net source
 - ❖ Not demonstrating that activities are directly human induced
 - ❖ Not distinguishing harvesting and forest disturbance from deforestation
 - ❖ Identification of all land areas, in particular areas deforested areas
 - ❖ (e.g. un-managed forests deforested)
 - ❖ Emissions not estimated (e.g. CO₂ from liming)
 - ❖ Use of LULUCF “offsets”, if applicable
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How to draft a Saturday Paper

- ❖ Include missing estimates, inconsistency with IPCC, or lack of transparency.
- ❖ Include issues only if could be an underestimate or problem of national system, related to mandatory requirements.
- ❖ Clear explanation of the nature of problem (link to relevant GL)
- ❖ Clear and unambiguous advice/recommendation to Party on how to correct problem within the 6 week period, e.g. submission of revised estimates
- ❖ Careful consideration of Party's responses to Saturday Paper (e.g. explanation, information or revised estimates) before concluding if these estimates are acceptable and decide on adjustments



Examples: Would this be a Saturday Paper issue?

Issue	Saturday Paper?
Party reports NO for CH ₄ emissions from oil transport in 2011, but ERT is aware that oil is produced and refined in the Party so these emissions would be expected.	YES, missing estimate, underestimate
Party reports a low digestibility rate for feed for a livestock for 2011 that is undocumented. This leads to low levels of manure (volatile solids).	YES, lack of transparency to support estimates, could be an underestimate.
Party uses an EF from the 2006 IPCC Guidelines that is higher than the default from the 2000 GPG, and is not properly justified.	NO, although not properly justified, would not lead to an underestimate.
Party reports CH ₄ recovery at solid waste disposal sites for 2008-2011 without justifying how the CH ₄ recovery was calculated. There were no recalculations in submission.	YES for 2011 only due to estimates not provided consistent with GPG.
A Party with annual accounting claims that living biomass is not a net source for 2008-2011 (reporting NO) without documentation. An estimate is provided for 2012; no recalculations in previous years.	NO, a SP can only be written for a Party with annual accounting if there were recalculations.
A Party with commitment period accounting does not demonstrate that removals from A/R are human-induced.	YES, not consistent with GPG for LULUCF and para 8 of the annex to decision 15/ CMP.1 indicates that Party must demonstrate actions are directly human-induced



ADJUSTMENTS



Article 5.2 of the Kyoto Protocol:

- ❖ Application of appropriate adjustments if agreed methods for preparing inventories are not used

Decision 20/CMP.1:

- ❖ “Adjustments referred to in Article 5.2...shall be applied only when inventory data submitted by Annex I Parties **are found to be incomplete and/or are prepared in a way that is not consistent** with the *Revised 1996 IPCC Guidelines* as elaborated by the *IPCC good practice guidance...*”

Annex to decision 20/CMP.1:

- ❖ Technical guidance on methodologies for adjustments under Article 5, paragraph 2, of the Kyoto Protocol



General Guidance

- ❑ If there is an underestimate of emissions (or overestimation of removals) that is not addressed by the Party during the review week, or in response to the Saturday Paper.
- ❑ The adjusted estimate leads to a conservative result
 - ❖ If recommended approach (e.g. tier 1) does not lead to conservative result, ERT may use alternate approaches.
- ❑ ERT collectively decides on approach to calculating adjustment (tier 1, extrapolation of emissions/removals, extrapolation/interpolation using drivers, correlation, cluster)
- ❑ Adjustment should be applied at the level of the problem
- ❑ ERT should use data from the Party to calculate adjustment, not search for alternate data.
 - ❖ If national data are not available, may use recommended international data sources.



Adjustments for LULUCF

- ❖ ARD, FM: adjustments are possible only for emissions/removals reported for commitment period years
 - ❖ CM, GM and RV: adjustments can be applied also for the base year
- ❖ For commitment period accounting Parties adjustments can be applied for any year of the time series; for annual accounting Parties, adjustments can only be applied for 2012 and any recalculations of earlier years.
- ❖ Consider paras. 67-70 of the annex to decision 20/CMP.1
 - ❖ Do not apply adjustments if Party demonstrates “not a net source” or for categories in appendices (e.g. HWP, non-CO₂ from drainage/rewetting of forest soils, wetlands remaining wetlands, settlements)
 - ❖ If using a cluster method consider similarity of national circumstances, definitions, data collection, reporting of pools.
 - ❖ Consider that tier 1 may not be the most conservative method.



Timing with Adjustments

- ❖ Timing is tight!
 - ❖ Assume review week of 1-6 September 2014
 - ❖ Party will provide response to Saturday Paper: 20 October 2014
 - ❖ ERT has 8 weeks to
 - ❖ Determine if problem is resolved;
 - ❖ Apply adjustments, if applicable;
 - ❖ Draft ARR; QA and send to Party
 - ❖ This brings ERT to 12 December 2014 to send to Party
 - ❖ Party has 4 weeks to comment: 13 January 2015
 - ❖ ERT has 4 weeks to prepare final report: 7 Feb 2015
 - ❖ This is if all goes perfectly and according to schedule!
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