



ҚАЗАҚСТАН РЕСПУБЛИКАСЫНЫҢ
СЫРТҚЫ ІСТЕР МИНИСТРІ

MINISTER OF FOREIGN AFFAIRS
REPUBLIC OF KAZAKHSTAN

Nur-Sultan
«17» April, 2020

*Ref: Submission of the Plan of the Republic of Kazakhstan
on implementing the Compliance Committee's recommendations*

Dear Mr. Zvara,

In accordance with your letter CC-2019-1-9/Kazakhstan/EBot of 6 February 2010 regarding the final decision contained in the document CC-2019-1-6/Kazakhstan/EB and the decision on disagreement with applying the adjustment to inventories of greenhouse gas emissions under paragraph 2 of Article 5 of the Kyoto Protocol as contained in the CC-2019-1-7/Kazakhstan/EB, the Ministry of Foreign Affairs of the Republic of Kazakhstan taking into account the received comments to the first draft of the Plan on eliminating the shortcomings and becoming compliant, hereby submits the revised draft on implementing the Compliance Committee's recommendations.

Please accept the assurance of my highest consideration.

Attachment: 51 pages.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'M. Tileuberdi'.

Mukhtar TILEUBERDI

**Mr. Milan Zvara,
Acting Chairperson, Enforcement Branch
Compliance Committee
UNFCCC Secretariat.
R. O. Box 260 124
D-53153 Bonn, Germany**

PLAN

This Plan is submitted in accordance with the paragraph 26 (b) of the preliminary finding (CC-2019-1-5/Kazakhstan/EB) dated April 30, 2019, as confirmed by the final decision of the Enforcement Branch of the Compliance Committee (CC-2019-1-6/Kazakhstan/EB) dated June 26, 2019, and referred to in paragraph 1 section XV, in accordance with the substantive requirements of paragraph 2 section XV and paragraph 1 of rule 25bis of the Rules of Procedure of the Compliance Committee of the Kyoto Protocol.

1 April 2020
Nur-Sultan, Kazakhstan

SUMMARY

The Republic of Kazakhstan hereby submits this Plan to the Enforcement Branch of the Compliance Committee of the Kyoto Protocol in accordance with the paragraph 2 of Section XV “Procedures and mechanisms relating to compliance under the Kyoto Protocol” (annex to decision 27/CMP.1) in response to the preliminary finding of the Enforcement Branch of the Compliance Committee (CC-2019-1-5/Kazakhstan/EB), as confirmed by the final decision of the Enforcement Branch of the Compliance Committee (CC-2019-1- 6/ Kazakhstan/EB) dated June 26, 2019.

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I. Background

Kazakhstan notified the UN Depository on 23 March 2000 that, in accordance with Article 4, paragraph 2 (g), of the Convention, it intended to be bound by Article 4, paragraphs 2 (a) and (b), of the Convention. Upon the entry into force of the Kyoto Protocol for Kazakhstan on 17 September 2009, it became a Party included in Annex I for the purposes of the Protocol in accordance with Article 1, paragraph 7, of the Protocol.

The abovementioned status didn't allow Kazakhstan to fully participate in implementation of the flexible market mechanisms under the Kyoto Protocol until now as it didn't meet some of the requirements to be eligible for a carbon trading scheme. In the first commitment period of the Kyoto Protocol 2008–2012 Kazakhstan didn't have its quantified emission limitation and reduction objectives (QELRO) fixed in Annex B to the Kyoto Protocol. This circumstance prevented the establishment of National Registry in the country.

In order to participate in the second commitment period of the Kyoto Protocol, Kazakhstan would need to ratify the Doha Amendment to the Kyoto Protocol as a first step and expect its entry into force. Another important requirement would be the functioning National Registry.

In 2008 by the Decision FCCC/CP/2008/L.2 the COP reiterated its request to Kazakhstan to submit its national communication and **annual GHG inventories** in accordance with Article 4, paragraph 2(b), and Article 12 of the Convention, using the UNFCCC reporting guidelines for Annex I Parties (see the Decisions 3/CP.5, 18/CP.8 and 13/CP.9 and the “Guidelines for the preparation of national communications by Annex I Parties, Part I: UNFCCC reporting guidelines on annual inventories” (FCCC/SBSTA/2006/9)).

Since 2010, Kazakhstan as the Party to the Kyoto Protocol began submitting its annual National Inventory Reports on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases not regulated by the Montreal protocol to the UNFCCC Secretariat as the Party not included in Annex I to the Convention.

II. Analysis of the causes of non-compliance and the choice of plan to retire from non-compliance

Lately, there had been a number of significant changes in the environmental agency of the Republic of Kazakhstan, responsible for fulfillment of country's obligations under UNFCCC and the Kyoto Protocol. In 2009, a Department of the Kyoto Protocol was established at the Ministry of Environment Protection of the Republic of Kazakhstan. In 2014, the Ministry of Environment Protection was dissolved, and its functions were transferred to the Ministry of Energy. In 2019, the environment agency – Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan, was re-established. In September 2019, the Climate Change Department within Ministry was renamed into Department of Climate Policy and Green Technologies. This Department is in charge of conducting the inventory of greenhouse gas emissions and preparation of annual National Inventory Reports on cadaster of anthropogenic emissions by source and removals by sinks of greenhouse gases not regulated by the Montreal Protocol, which is prepared by the Zhasyl Damu JSC on a competitive base. These circumstances could not but affect the fulfillment of commitments by country under UNFCCC and the Kyoto Protocol. After a new environmental agency was established, the situation began improving. The work on transferring the preparation of National Inventory Reports from competitive environment to a permanent basis are currently under way.

In 2017, Kazakhstan submitted its National Inventory Report on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases not regulated by the Montreal Protocol, for 1990-2015 (from here on NIR) to the UNFCCC Secretariat. This report also included the Report of the Republic of Kazakhstan aimed at facilitation the calculation of the assigned amount of the Kyoto Protocol for the second commitment period (hereinafter the AAU Report) as an Annex.

During September 18-23, 2017, an in-country review of the above reports was conducted by an international expert review team (ERT) of UNFCCC Secretariat, who worked with national experts and department staff in Astana.

After reviewing the National Inventory Report on cadaster of emissions and removals by sinks, an ERT published its reports FCCC/ARR/2017/KAZ dated February 18, 2019 at 148 pages on NIR and FCCC/IRR/2017/KAZ of 18 February 2019, at 44 pages on AAU Report.

Both reports (FCCC/ARR/2017/KAZ and FCCC/IRR/2017/KAZ) were sent to the Compliance Committee of the Kyoto Protocol, as the questions on implementation were raised on some issues, and on one issue Kazakhstan expressed disagreement whether to apply adjustment to inventories for emissions from consumption of coking coal. The Bureau of the Compliance Committee referred these issues to the Enforcement Branch of the Compliance Committee.

The 33rd meeting of Enforcement Branch held in Bonn on April 29-30, 2019, was attended by Kopbaeva A., Assylbekov S. from Ministry of Energy, and Sergazina G.Kh., Eserkepova I.B., Akhmadieva J.K. from Zhasyl Damu JSC via Skype communication. Upon the meeting results, two documents were adopted (CC-2019-1-4/Kazakhstan/EB and CC-2019-2019-1-5/Kazakhstan/EB), which contained a preliminary decision and conclusion on non-compliance status. After final decision was made, within three months period Kazakhstan was to submit its Plan aimed at elimination of issues identified, including the application of adjustments for consumption of coking coal.

Various potential activities were reviewed and discussed, which ERT included in the list of potential problems and further issues. As a result, an optimal solution for the situation unfolded was chosen as follows:

In accordance with the decision and conclusion of the Enforcement Branch, Kazakhstan would develop and submit its Action Plan within three months period. This plan is likely to be implemented until the end of 2022, throughout the reporting period under the Kyoto Protocol.

Kazakhstan should accept the ERT adjustments in accordance with document CC-2019-1-7/Kazakhstan/EB of June 26, 2019 and develop an action plan aimed to resume its compliance status and submit it to the Enforcement Branch of the Compliance Committee of the Kyoto Protocol by September 26, 2019.

1. Making adjustments to the inventories under Article 5, paragraph 2, of the Kyoto Protocol and its annexes relating to calculation of greenhouse gas emissions from coking coal for 2013, 2014 and 2015

The adjustments are related to estimates of greenhouse gases from the use (burning) of coking coal. In accordance with Article 5, paragraph 2, of the Kyoto Protocol and its annexes, it is necessary to make adjustments to the estimates of greenhouse gas emissions from coking coal for 2013, 2014 and 2015 into the National Inventory Report on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases not regulated by the Montreal Protocol. These adjustments should be included in the NIR 1990–2018, which is due to be submitted to the UNFCCC Secretariat by April 15, 2020. The ERT noted that Kazakhstan does not fully agree with the adjustment applied by the previous ERT for the consumption of coking coal in a sector approach. In its 2018 NIR submission, Kazakhstan recalculated the estimates of GHG emissions from this fuel using the IPCC 2006 methodology and reported CO₂ emissions using the default values for net calorific value and default CO₂ emission factors.

The ERT noted that Kazakhstan recalculated the consumption of coking coal in 2014 and 2015 based on adjusted data from the Committee on Statistics and explained that coking coal in Kazakhstan is mainly used for the production of pig iron and steel. The recalculations were presented in chapter 3.4.2.5 of the NIR 2019. The ERT also noted that Kazakhstan did not provide relevant data on coking coal consumption for 2013 - the first year of the second period of the Kyoto Protocol.

The reason for this is that until 2014, statistics on the consumption of hard coal was provided by the Committee on Statistics of the Republic of Kazakhstan only in aggregated form for two types of coal - semi-bituminous coal and lignite. Since 2014, the Committee on Statistics changed the format of the FEB in accordance with the EAEC requirements for statistics to which Kazakhstan is member. Data on solid fuels started being provided in disaggregated form (coking coal, power coal, high-ash coal, other coal, coal concentrate).

In order to improve the quality of the NIR and to provide data on the consumption of coking coal for 2013, Zhasyl Damu JSC held a number of working meetings with representatives of the Committee on Statistics. During meetings, it was found that coking coal consumption data for 2013 cannot be provided due to above reasons. Based on the results of the meetings, an official letter was provided from the Statistics Committee, confirming the lack of data on coking coal consumption for 2013 (No. 36-6-18/958 of 03/06/2020).

The ERT understands that the Party cannot determine how much coking coal was used in the sectoral and reference approaches from 1990 to 2013. In addition, the Party stated that only a

small fraction of coking coal is used as fuel. At the same time, a bulk of coking coal is used as raw material for the production of coke, necessary for the metallurgical industry, and is reported in the IPPU sector.

The ERT noted that in Table 1.A (d) of the CRF, non-energy use of coking coal is relatively small compared to the total apparent consumption of coking coal. For example, the non-energy use of coking coal in 2017 was 2.9 PJ. In this case, the total amount indicated in table 1.A (b) comprised 288.18 PJ, that is, approximately 1%. Thus, based on tables 1.A (b) of the CRF and the NIR submissions of 2018 and 2019, the ERT noted that Party's reporting was conducted for the consumption of coking coal as fuel. At the same time, the difference between the sector and base approaches in 2016 and 2017 was significant and amounted to 88.87 PJ. (34%) and 122.53 PJ (43%), respectively.

Taking into consideration these comments, the ERT requested the following information:

- The amount of coking coal burned in the production of coke oven gas for non-energy use in metallurgical industry. At the same time, the difference between the reference and sectoral RA-SA approaches for the consumption of coking coal should be justified, as indicated in Note 3 of Table 14., p. 74 of NIR 2019 and Annex VI to ARR 2017;

- Since 2013 is a part of the second commitment period of the Kyoto Protocol, the review experts requested to present the methodology for and consumption of coke coal, both for the reference and sectoral approaches. Only in April 2019, a decision to submit annual GHG inventories using the 2006 IPCC Guidelines as a Party included in Annex I to the Convention was made. This was due to Kazakhstan's submission of the report in 2017 to facilitate the calculation of the assigned amount of the Kyoto Protocol for the second commitment period.

The above recommendations were considered during calculation of consumption of coking coal in the NIR 2020. The answers to recommendations are provided below:

- Calculation of the amount of coking coal burned during the production of coke oven gas for non-energy use in metallurgical industry. To this respect, the difference between the reference and sectoral approaches (RA-SA) for the consumption of coking coal should be justified, as indicated in Note 3 of Table 14., p. 74 of NIR 2019 and Appendix VI to ARR 2017;

The metallurgical industry falls into the "Manufacturing and construction" category in NIR 2020.

According to calculations for coking coal consumption, the difference in coking coal consumption in the Energy sector by the reference and sectoral approaches is as follows:

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|---------------|----------------|---------------|----------------|---------------|
| Reference, PJ | 232,073 | 275,118 | 259,396 | 288,18 | 251,308 |
| Sectoral, PJ | 181,161 | 166,227 | 190,06 | 185,558 | 186,110 |
| The difference between the two approaches, PJ | 50,912 | 108,891 | 69,336 | 102,622 | 65,198 |

This difference is formed as a result of raw data being provided by the Committee on Statistics of the RK. One of the reasons is the difference in number of enterprises, who report on fuel consumption to national statistics. Not all enterprises report transparently on the fuel consumed due to various reasons.

The Party plans to conduct an analysis on coking coal consumption for 2013 and estimate an approximate amount of consumption of coking coal by applying the gap filling method in

accordance with the IPCC guidelines. Corresponding calculations are planned to be provided in the NIR 2021.

- Methodology for and consumption of coke coal, both for reference and sectoral approaches:

The calculations were carried out in accordance with the 2006 IPCC Guidelines. The estimation of CO₂ emissions from coking coal as per the reference and sectoral approaches for 1990 ... 2018 was carried out in accordance with the IPCC Guidelines (2006), following the below formula (1):

$$E = M * k_{ncv} * k_1 * k_2 * 44/12 \quad (1)$$

where:

E - annual CO₂ emissions (tons/year);

M - actual fuel consumption per year (tons/year);

k_{ncv} - calorific value (TJ/tons);

k₁ - coefficient of carbon oxidation in the fuel (fraction of burnt carbon);

k₂ - carbon emission factor (tons C/TJ);

44/12 - conversion factor of carbon to carbon dioxide.

The Tier 1 approach was used, based on national energy statistics and default emission factors from the 2006 IPCC Guidelines.

The coefficients used in calculation of emissions from coking coal are provided below:

| Fuel | K _{ncv} | | k ₂ | | k ₁ | |
|-------------|------------------------------|--------|---------------------------------|--------|--------------------------|--------|
| | Calorific value | source | Carbon Emission Factor, tC / TJ | Source | Oxidized carbon fraction | Source |
| Coking coal | 28.2 TJ/10 ³ tons | D | 25,8 | D | 1 | D |

2. The national system of Kazakhstan fails to perform some required general and specific functions in compliance with the annex to decision 19/CMP.1

In compliance with decision 19/CMP.1, in implementing its national system, each Party included in Annex I:

a) establish and maintain the institutional, legal and procedural arrangements necessary to perform the functions defined in these guidelines for national systems, as appropriate, between the government agencies and other bodies responsible for the performance of all functions defined in these guidelines;

(b) Ensure sufficient capacity for timely performance of the functions defined in these guidelines for national systems, including data collection for estimating anthropogenic GHG emissions by sources and their removals by sinks and arrangements for technical competence of the staff involved in the inventory development process;

c) Designate a single national entity with overall responsibility for the national inventory;

(d) Prepare national annual inventories and supplementary information in a timely manner in accordance with Article 5 and Article 7, paragraphs 1 and 2, and relevant decisions of the COP and/or COP/MOP;

(e) Provide information necessary to meet the reporting requirements defined in the guidelines under Article 7 in accordance with the relevant decisions of the COP and/or the COP/MOP.

The national system of Kazakhstan should ensure the operation of all institutional, legal and procedural arrangements necessary to fulfill the functions defined by decision 19/CMP.1 between government institutions and the authorized agency responsible for implementation of the Kyoto Protocol. To this end, the national system should provide sufficient capacity to ensure the collection of data in order to estimate anthropogenic GHG emissions by sources and their removals by sinks in a timely manner, and arrange technical competence of staff involved in the inventory development process.

Following the ratification of the Kyoto Protocol in June 2009, the Government of Kazakhstan appointed a single national authority with overall responsibility for the national cadaster. This national authority was the Ministry of Environment Protection of the Republic of Kazakhstan, which was appointed as Designated National Authority (DNA) to coordinate the implementation of the Kyoto Protocol in Kazakhstan. After Ministry of Environment Protection was reorganized, the functions of DNA were transferred to the Ministry of Energy of the Republic of Kazakhstan. Only in June 2019, the functions of DNA were transferred to a newly established environment agency - Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan. The Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan, among others, comprises the Committee of Geology, and the Committee for Forestry and Wildlife, who also contribute initial information for the national inventory of greenhouse gases. Resultantly, there is an expectation that this would allow improving the quality of National Inventory by facilitating the provision of a more complete initial information and accurate data to calculate greenhouse gas emissions.

The revision of the NIR in 2017 revealed that the National GHG Cadaster of Kazakhstan didn't include an action plan and information on its implementation aimed at addressing the issues identified. In particular, it should have considered the steps, including those already achieved, and anticipated completion dates for: (1) conclusion of additional agreements and arrangements to improve interagency cooperation and support; (2) determination of the roles and responsibilities in QA/QC and data verification; and (3) implementation of arrangements for review, approval and sign-off processes. During review, Kazakhstan replied that these items would be included in the inventory for 1990–2018 (annual submission of 2020). The ERT included this issue in the list of potential problems and further questions.

In the next annual submission, it is necessary to provide an action plan and information on its implementation to address issues identified. In particular, it should include steps, including those already achieved, and the timeline for: (1) conclusion of additional agreements and arrangements to improve interagency cooperation and support, which would clearly define the mandates of each contributor and participant of the inventory in relation to the roles and responsibilities on inventory, financing inventory and resource provision; (2) determination of the roles and responsibilities in quality assurance/quality control and data verification for each inventory sector to ensure quality and reliability of data; and (3) establishment of arrangements for review, approval and sign-off for timely annual submission of NIRs by the agreed submission due date.

Kazakhstan has developed the following measures aimed at resolution of the above issues:

• *Enhancing and strengthening national expert potential, and questions on conclusion of additional agreements and memoranda*

To increase the capacity of inventory expert team, the head management of Zhasyl Damu JSC introduced a position of deputy director of the Greenhouse Gas Inventory Department to organize and coordinate the preparation of the NIR, and facilitate the QA/QC procedures.

Attraction of more English-speaking specialists is also planned. It is expected that raising their skills and capacity will be organized through learning of the IPCC guidelines, relevant CC Decisions, completion of various training courses and workshops organized at international level and application of gained knowledge in the development of NIR.

A number of activities related to increasing the potential of personnel in preparation of national greenhouse gas inventory is scheduled. These events will be arranged within UNDP Country Office project. In this respect, working meetings to improve the quality of raw data collection will be organized. Main focus group would be government agencies and organizations, who provide raw data for calculation of greenhouse gas emissions and their removals by sinks. The discussions on how to improve the accuracy and completeness of data are also planned.

Upon ERT recommendation, the issue relating to greater interagency cooperation and putting in place agreements with government agencies involved in raw data provision for national inventory will be discussed during above meetings.

At the moment, the preliminary agendas, agenda items and a list of government agencies and organizations, who are engaged in provision of raw data for national inventory, are being developed.

Additionally, the capacity building activities for national experts will be organized in the framework of UNDP project. For this purposes, leading international inventory experts for each sector will be invited.

• *Activities on quality assurance/quality control and data verification for each inventory sector*

The procedures to ensure the quality control of NIR are carried out during NIR preparation by national experts involved in the development of NIR. Most procedures are carried out by cross-check by sector experts, namely, comprehensive examination of correctness of raw data, emission factors, calculations and completeness of documentation. The Deputy Director of the Greenhouse Gas Inventory Department, as a person in charge of QA/QC, ensures the check of general trends, consistency of methodologies utilized, and uncertainty.

The QA/QC procedures are detailed in the Decree No. 214 of the Minister of Energy of the Republic of Kazakhstan on March 15, 2015 approving the rules for controlling completeness, transparency and reliability of State inventory of greenhouse gases (hereinafter - Decree No. 214). This decree is the main regulatory act regulating National Greenhouse Gas Inventory System. Additionally, the National Greenhouse Gas Inventory System is regulated by Article 158-1 of the Environmental Code of the Republic of Kazakhstan.

Based on recommendations received from ERT to address the issue related to general and specific functions of national inventory system, a draft Decree On Amendments and Addenda to Decree No.214 was prepared as per Annex to decision 19/CMP.1 .

The draft decree sets out the requirements for the preparation of the National Inventory Report and QA/QC procedures, as well as ensuring the completeness, transparency and reliability of the state inventory.

The draft decree was prepared by the working body of the NIR development – Zhasyl Damu JSC and forwarded to the Ministry of Ecology, Geology and Natural Resources in November 2019. Currently, the draft decree is undergoing internal approval procedure within the Ministry.

Below is the comparative table on the amendments to Decree No.214 on the general and specific functions of the national inventory system:

| № | Activity | Decree No.214 | Decree's planned amendments | Note |
|----|------------------------------------|--|---|--|
| 1. | Activities on NIR preparation | <p>The preparation of annual National Inventory Report includes the implementation of the following activities:</p> <ol style="list-style-type: none"> 1) collection of information containing raw data for estimating greenhouse gas emissions and their removals by sinks; 2) analysis and processing of received data, calculations and preparation of state cadaster; 3) quality control and quality assurance of National Inventory Report; 4) submission of National Inventory Report to the procedure of compliance assessment with the Convention. | <p>The preparation of annual National Inventory Report includes the implementation of the following activities:</p> <ol style="list-style-type: none"> 1) collection of information containing raw data for estimating greenhouse gas emissions and their removals by sinks, analysis and processing of the data obtained; 2) filling in the data gaps using relevant methodology of the Intergovernmental Panel on Climate Change (hereinafter - the IPCC); 3) determining the key source categories; 4) estimating the emissions by all sources in accordance with relevant IPCC methodology, the use of more advanced methods for estimating emissions from key categories, including by development of national emission factors; 5) quantitative estimate of uncertainty for each source category, and for inventory in total; 6) recalculation of previously submitted inventory, where necessary; 7) carrying out quality control and quality assurance procedures; 8) preparation of information on future activities aimed at further improvement of inventory; 9) compilation of the National Inventory Report ensuring a detailed overview of key categories and the categories, in which significant changes occurred during recalculation | <p>The activities are described in detail in accordance with the procedures of National Inventory Report preparation</p> |
| 2. | Procedures for the NIR preparation | | <p>The following procedures should be ensured during preparation of the National Inventory Report:</p> <ol style="list-style-type: none"> 1) use of national values or use of data from enterprises during key source categories calculation | <p>The procedures are specified in accordance with the annex to decision 19/CMP.1 on general and specific functions</p> |

| | | | | |
|----|---|--|--|---|
| | | | <p>or changing a category into a key source category during recalculation;</p> <p>2) creation of conditions for quality assurance procedures;</p> <p>3) creation of conditions for an in-depth study of data for key source categories and categories changed into a key source category;</p> <p>4) reassessment of planning process to ensure the quality of National Inventory Report.</p> | of the national inventory system |
| 3. | The conditions for compilation of NIR | | <p>11. In order to ensure the compliance with international requirements, the following conditions are taken into consideration during compilation of National Inventory Report :</p> <p>1) archiving information on data used in compilation of National Inventory Report: activity data used to calculate greenhouse gas emissions and their removals by sinks, internal documentation on quality control and quality assurance procedures, data on key and other source categories of emissions, and planned activities on improvement of National Inventory Report;</p> <p>2) ensuring access to archived information.</p> | The compliance conditions for archiving are indicated in accordance with the annex to decision 19/CMP.1 on general and specific functions of the national inventory system |
| 4. | Interagency cooperation in data collection and sourcing | | In order to provide a complete information on raw data for the national inventory, an authorized agency establishes an interagency Working Group responsible for collecting and sourcing data for the inventory | <p>This paragraph provides for identification of people, who would be responsible for sourcing data from each state agency and organization.</p> <p>This would allow strengthening cooperation between agencies involved in sourcing the data for national inventory, enhancing responsibility over raw data provided by each agency, and improving the overall quality</p> |

| | | | | |
|----|--|---|--|--|
| | | | | of the source information and ensuring the compliance with requirements for overall quality of NIR. |
| 5. | Procedures for collecting and sourcing activity data for national greenhouse gas inventory | <p>11. In order to prepare the state inventory of greenhouse gas emissions and removals by sinks, the authorized body makes a list of government agencies, who are in charge of collecting the data and information necessary for preparation of NIR.</p> <p>12. In accordance with the list of government agencies, the authorized body forwards them a request for data to prepare the National Inventory Report.</p> <p>13. The government agencies, who are being requested for information required for the NIR, should submit the requested data and information within a month from the moment of receipt of the respective request.</p> <p>22. The National Inventory Report is sent for revision by independent experts, specialized scientific institutions or other organizations who did not directly participate in the preparation of the National Inventory Report, by March 1 of subsequent year.</p> <p>23. The authorized body will organize the finalization of NIR with due attention given to comments and suggestions received from independent experts, specialized scientific institutions and organizations by April 1 of subsequent year.</p> | | In existing decree, these paragraphs describe the procedures for collecting and providing the activity data. |

| | | | | |
|--|--|--|--|--|
| | | 24. In case of disagreement with the comments and suggestions of independent experts, specialized scientific institutions and organizations, the authorized body should provide a well-reasoned explanation as to why respective comments and suggestions were not included. | | |
|--|--|--|--|--|

• *Implementing arrangements for review, approval and sign-off processes to ensure timely annual submission of the NIR by the agreed submission due date*

A late submission of the National Inventory Report on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases by Kazakhstan was lately observed with a delay of three to four months.

According to domestic legislation of the Republic of Kazakhstan, the NIR is prepared on a competitive base as part of a bid titled "Services to implement the provisions of the UN Framework Convention on Climate Change and the Kyoto Protocol." The bidding process as part of public procurement annually occupies the first two quarters of the year, which ultimately leads to late submission of NIR and reduces the quality of reporting.

In order to prevent the delays in submission of NIR by the Republic of Kazakhstan in the future, the new draft of Environmental Code, which is currently being discussed by the lower house of the Parliament of the RK, considers the assignment of preparation of NIR to Zhasyl Damu JSC as the working body for the preparation of NIR. This regulation would allow removing preparation and compilation of NIR from competitive environment to a permanent basis, which, in turn, would facilitate timely preparation and submission of NIR to the Secretariat by the agreed submission due date (until 15 April annually), and improvement of its quality. The new Environmental Code will enter into force starting from 2021.

3. Establishment of a national registry of carbon units

At the time of submission of report to facilitate the calculation of the assigned amount of the Kyoto Protocol and during the review in 2017, the national registry of carbon units corresponding to the provisions and decisions of the Kyoto Protocol was not established in Kazakhstan. The ERT noted the mandatory requirement set out in paragraph 1(m) of Annex I to decision 2/CMP.8 on the registry of carbon units. It considers that the Parties to Annex I, who did not have a quantified emission limitation and reduction target in the first commitment period of the Kyoto Protocol should include its description to the report to facilitate estimation of the assigned amount. This requirement should be implemented in accordance with the Kyoto Protocol and the provisions of decision 15/CMP.1 in conjunction with decision 3/CMP.11.

At the same time, Kazakhstan did establish the State Register of Carbon Units. It is formed and maintained by Zhasyl Damu JSC. The register is designed to account the carbon units of Kazakhstan's domestic system. Key functions of the state register are ensuring an accurate accounting of carbon units of national emission quota trading system, which are currently in circulation or stored, transferred, acquired, canceled, withdrawn from circulation. The state register began functioning in 2011. It is regulated by Article 158-3 of the Environmental Code of the Republic of Kazakhstan and by the Decree No.147-ø of the Minister of Environmental Protection of May 10, 2012, "On approval of the rules for maintaining the state register of carbon units."

At present, the improvement of the Register in accordance with international requirements within UNFCCC framework is planned. In 2020, a legal and technical diagnosis of the State Register against the requirements of the Kyoto Protocol and its adaptation to the Paris Agreement will be conducted within the framework of the World Bank's Partnership for Market Readiness (PMR) project aimed at preparation of the fourth National Quota Allocation Plan. By the end of 2020, the technical diagnosis of the State Register will be carried out to identify potential gaps and deviations from international standards. Upon completion of the diagnosis the recommendations will be provided aimed at further improvement of the State Register. If the improvement of existing

state registry is unfeasible, then Technical Specifications and Recommendations on design and procurement of the IT system for the State Register will be developed.

By the end of 2021, the State Register will be improved or a new a register of carbon units as per developed Recommendations for Technical Specifications based on analysis conducted will be acquired.

4. Providing information of LULUCF activities

The ERT concluded that Kazakhstan did not provide information that should be included in the annual report on cadaster of greenhouse gases on activities in the land use, land-use change and forestry (LULUCF) in accordance with Article 3, paragraphs 3 and 4, of the Kyoto Protocol and in accordance with paragraphs 2(b), 2(d), 2(e), 4(a), 4(b), 5(a), 5(b), 5(c) and 5(e) of Annex II to decision 2/CMP. 8.

The above information was not provided due to a number of technical reasons, but now after these issues are resolved the information will fully be presented in the NIR of 1990-2018 in accordance with Article 3, paragraphs 3 and 4, of the Kyoto Protocol.

In order to improve the quality of additional reporting under Article 3, paragraphs 3 and 4, of the Kyoto Protocol, the engagement of organizations working on forestry projects, research organizations in afforestation, reforestation and forest monitoring will be implemented. Based on feedback received from organizations permanently engaging in forest monitoring, the recommendations will be prepared aimed at improving the quality of information. Also, these organizations, upon their agreement, will be carrying out external quality control. These recommendations will be reflected in the National Inventory Report on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases of the Republic of Kazakhstan for 1990-2018, to be submitted in 2020. Additional reporting will be provided in accordance with paragraphs 2 (b), 2 (d), 2 (e), 4 (a), 4 (b), 5 (a), 5 (b), 5 (c) and 5 (e) of Annex II to decision 2/CMP. 8.

Also a number workshops will be conducted in 2020 for experts of subordinate organizations of the Ministry of Ecology, Geology and Natural Resources, the Ministry of Agriculture, the Ministry of Digital Development, Innovation and Aerospace Industries, the Statistics Committee of the Ministry of National Economy and other agencies aimed at discussing the avenues for direct exchange of coherent information on agriculture and land use to ensure an effective reporting of LULUCF. These workshops will be organized with support of UNDP Country Office within the project on preparation of the 8th National Communication of the Republic of Kazakhstan to the UNFCCC.

On May 20-30, 2020, a training will be organized on Improving the reporting of LULUCF in the National Greenhouse Gas Inventory System (information and methodological support). The following items are included in agenda:

- Review of global greenhouse gas inventory practices for LULUCF sector;
- Improving inventory of LULUCF sector based on modeling exercise;
- Modern GHG estimates algorithm for the Forestry category (based on other country case study);
- Modern GHG estimates algorithms for the categories “Other types of land use” (based on other country case study);
- Discussing the recommendations to improve interagency cooperation on the inventory of greenhouse gases in LULUCF sector.

5. Providing SEF Tables

Kazakhstan did not provide the standard electronic tables (SEF) for 2013-2017 and other relevant information on accounting of Kyoto units required in accordance with paragraphs 12–18 of the Annex to decision 15/CMP.1 in conjunction with decision 3/CMP.11 and decision 3/CMP.11, paragraph 13.

Currently, the SEF tables for these years can be filled out only with notation keys “NO”, since projects to reduce GHG emissions, and in particular, within the framework of the Kyoto Protocol’s flexibility mechanisms, haven’t yet been implemented in Kazakhstan. In order to implement those mechanisms, Kazakhstan needs to purchase a software used by UNFCCC Secretariat. Even then, to fill in the SEF tables with notation keys “NO” and to provide other additional information, Kazakhstan would need consultations with UNFCCC experts. This reason prevented Kazakhstan from including reporting on the Kyoto units in SEF tables for its annual submission of 2019, as required by paragraph 13 of decision 3/CMP.11. The ERT considers this a potential problem. To ensure that SEF tables are presented correctly, it would be necessary to increase the capacity of experts making inventory; a number of trainings and workshops are planned in 2020-2021 to be organized by UNDP.

The capacity of the LULUCF sector experts will be developed in a training to be conducted by an international expert, who will train national experts on the procedures of filling out the SEF tables and presenting related information, and facilitate the discussion on calculation of greenhouse gas emissions and their removals by sinks in the LULUCF sector. In the 3rd quarter of 2020, a training to improve reporting of National Greenhouse Gas Inventory System will be conducted with UNDP support, which, among others, will deal with peculiarities of filling out and reviewing the SEF tables and presenting related information; an international consultant, who will be the key resource person for this training, will train national experts on procedures of filling out the SEF tables.

III. The planned measures aimed at resolution of questions of implementation

The planned measures aimed at resolution of the questions of implementation and resuming the compliance status are provided in the table below.

**Table - Plan of actions aimed at resolution of questions of implementation and resuming the compliance status
for Kazakhstan under the Kyoto Protocol**

(submitted in accordance with the paragraph 26(b) of the preliminary finding (CC-2019-1-5/Kazakhstan/ EB dated April 30, 2019), which is an integral part as an Annex to the final decision CC-2019-1-6/Kazakhstan/ EB dated June 26, 2019, adopted by Enforcement Branch of the Compliance Committee of the Kyoto Protocol)

| № | Question of implementation | Term of implementation | Organization responsible | Action implemented | Final result |
|----------|--|--------------------------------------|--|--|---|
| 1 | 2 | 3 | 4 | | 5 |
| 1 | Making adjustments to inventories in accordance with Article 5, paragraph 2, of the Kyoto Protocol and its annexes related to the assessment of greenhouse gas emissions from coking coal for 2013, 2014 and 2015. Kazakhstan must accept the ERT adjustments in accordance with document SS-2019-1-7/Kazakhstan / EB of June 26, 2019. | September 26, 2019 – April, 15, 2021 | Zhasyl Damu JSC | <ul style="list-style-type: none"> – Working meetings were organized with the Committee on Statistics of the Republic of Kazakhstan, who is in charge of providing the baseline data on the consumption of coking coal; – The Committee on Statistics of the Republic of Kazakhstan provided an official letter confirming the absence of data on coking coal consumption for 2013; – An analysis on the consumption of coking coal and potentially the calculation of approximate amount of consumption of coking coal for 2013 by applying the gap filling method as per IPCC GLs will be conducted; – Corresponding estimates will be provided in the NIR 2021. | NIR 1990-2019 and CRF tables containing respective adjustments are submitted to the UNFCCC Secretariat by April 15, 2021. The recalculation on coking coal is implemented. |
| 2 | The national system of Kazakhstan fails to perform some of the general and specific functions required in accordance with the annex to decision 19/CMP.1. | September 26 - December 28, 2020 | Department of Climate Policy and Green Technologies (DCPGT) of | – Strengthening the capacity of the inventory team of the working body for the preparation of NIR – Zhasyl Damu JSC, by introducing a deputy director of the Greenhouse Gas Inventory Department position; | Corresponding amendments and addenda to general and specific functions are made to Decree No.214 of the Minister of Energy of the Republic of Kazakhstan of |

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|---|---|---|--|---|---|
| | | | <p>Ministry of Ecology, Geology and Natural Resources (MEGNR) and Zhasyl Damu, JSC</p> | <ul style="list-style-type: none"> – Attracting new qualified experts to preparation of NIR and ensuring their training; – Organizing workshops with government agencies and organizations aimed at improvement of the quality of raw data and discussing the avenues for stronger cooperation via conclusion of respective agreements; – Building the capacity of national experts by organizing trainings of international experts in each sector of the GHG inventory; – Introducing amendments to Decree No.214 of the Minister of Energy of the Republic of Kazakhstan of March 15, 2015, approving the rules for controlling completeness, transparency and reliability of State inventory of greenhouse gases, in accordance with decision 19/CMP.1. | <p>March 15, 2015. At present, the draft decree is under internal approval procedure in the MEGNR.</p> |
| 3 | <p>The national registry was not established at the time of the submission of the Kazakhstan report to facilitate the calculation of the assigned amount of the Kyoto Protocol or during the review, i.e. in 2017.</p> <p>With regard to the availability of the national registry, the ERT also noted the mandatory requirement set out in paragraph 1(m) of Annex I to decision 2/CMP.8 that Parties included in Annex I, who did not have a quantified emission limitation and reduction target in the first commitment period of the Kyoto Protocol should include its description to the report to facilitate the estimation of the assigned amount in accordance with the provisions of decision 15/CMP.1 in conjunction with decision 3/CMP.11</p> | <p>September 26, 2019 - December 28, 2021</p> | <p>Zhasyl Damu, JSC</p> | <ul style="list-style-type: none"> – Conducting the legal and technical diagnosis of the State Register against the requirements of the Kyoto Protocol and its adaptation to the Paris Agreement; – Preparing recommendations aimed at improving the State Register of Carbon Units, or Technical Specifications and Recommendations for the design and purchase of the IT system for new State Register by the end of 2020; – Improving the State Register or purchasing new register of carbon units as per Recommendations of Technical Specification based on result of carried out diagnosis by the end of 2021. | <p>NIR 1990-2019 includes a description of the registry of carbon units, and the tables of SEF and CRF.</p> |

| | | | | | |
|---|---|--------------------------------------|--|--|--|
| 4 | The ERT concluded that Kazakhstan failed to provide the information to be included in annual GHG inventories on land use, land-use change and forestry (LULUCF) activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol required under paragraphs 2(b), 2(d), 2(e), 4(a), 4(b), 5(a), 5(b), 5(c) and 5(e) of annex II to decision 2/CMP.8. | September 26, 2019 - April 15, 2021* | DCPGT of MEGNR and Zhasyl Damu, JSC, in cooperation with Committee for Forestry and Wildlife MEGPR | - Conducting a series of working meetings to improve the quality of raw data within the framework of UNDP project in 2020-2021. Information will be provided in the NIR 1990-2019. - Organizing a training on May 20-30, 2020, to improve reporting on LULUCF in the National System of GHG Inventory (information and methodological support). | NIR 1990-2018 and CRF tables contain information in accordance with Article 3, paragraphs 3 and 4, of the Kyoto Protocol |
| 5 | The ERT also concluded that Kazakhstan did not submit the standard electronic format (SEF) tables for the years 2013-2016 and other related information on accounting of Kyoto Protocol units required under paragraphs 12 to 18 of the annex to decision 15/CMP.1 in conjunction with decision 3/CMP.11 and in decision 3/CMP.11, in particular, paragraph 13. | September 26, 2019 - April 15, 2021 | DCPGT of MEGNR and Zhasyl Damu, JSC | - Filling in the standard electronic tables (SEF) using notation keys “NO” and their presentation along with other relevant information on the accounting of the Kyoto units in the NIR 1990-2019. - Conducting training for inventory team, who will, among others, focus on features and overview of SEF tables | In NIR 1990-2019, the SEF and CRF tables contain description and information on Kyoto units on reduction and removals by sinks of greenhouse gases. In the case of availability of Kyoto units, they will be presented in the SEF tables. Since Kazakhstan lacks projects in these mechanisms, the SEF table can be filled with notation keys “NO” |
| 6 | Submission of the progress report on the Plan Implementation | December 25, 2021 * | DCPGT of MEGNR and Zhasyl Damu, JSC | Until the end of implementation of the Action Plan, Kazakhstan will be submitting reports on implementation of institutional mechanisms, inventory of greenhouse gases, national registry, and the activities in LULUCF every six months (June 30, 2020, December 25, 2020, June 30, 2021, December 25, 2021) | Progress report submitted to the Compliance Committee of the Kyoto Protocol |

*The term indicated is subject to timely conclusion of contract between the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan and “Zhasyl Damu”, JSC.

IV. Conclusion

The Republic of Kazakhstan confirms its aspiration to continue the formulation of national policy on climate change and regulation of emissions by sources and removal by sinks of greenhouse gases.

The Republic of Kazakhstan strives to implementing its quantified obligations as per Annex B of the Kyoto Protocol for the second commitment period of 2013-2020, and can preliminarily suggest that its 5% QELRO to 1990 base year will be met in 2020.

Since January 5, 2016, the Republic of Kazakhstan became Party to the Paris Agreement, and is taking measures aimed at implementation of its Nationally Determined Contribution towards the global goal of limiting the increase of global temperature to well below 2° C above pre-industrial levels.

To strengthen its institutional system on climate change and environment protection, the Government of the Republic of Kazakhstan re-established the Ministry of Ecology, Geology and Natural Resources (MEGNR) on June 17, 2019. The Department of Climate Policy and Green Technologies (DCPGT) with its 12 staff, is in charge of development and implementation of national policy in responding to the threats of climate change, and regulating the emissions and removals by sinks of greenhouse gases.

At the moment, a new Environmental Code is under consideration, which includes a Chapter on protection of climate and ozone layer. This Chapter contains separate sections on mitigation and adaptation to climate change. It also includes provisions aimed at improvement and timely submission of annual National Inventory Report on cadaster of anthropogenic emissions by sources and removals by sinks of greenhouse gases not regulated by the Montreal protocol.

The Republic of Kazakhstan believes that abovementioned measures will lead to positive changes and will enhance the actions towards quality and transparent provision of information in accordance with its commitments under the Convention and the Kyoto Protocol.

The Republic of Kazakhstan hereby confirms that it will provide information on the progress on activities as considered by this Plan of implementation on a regular basis.

In this regard, the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan kindly requests the Enforcement Branch of the Compliance Committee of the Kyoto Protocol to consider and approve the Plan submitted.