Report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol by Hungary

I. Introduction

- 1. This report, submitted by Hungary on 24 October 2023, contains the information required to be reported upon the expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol (hereinafter referred to as the true-up period), in accordance with the relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.²
- 2. The information contained in this report covers the period 1 January 2022 to 9 September 2023, in accordance with decision 15/CMP.1, annex, paragraph 20, in conjunction with decision 3/CMP.11.
- 3. The information required to be included in the report is presented using the standard electronic format (SEF) tables included in Annex II to decision 3/CMP.11.
- 4. In addition to the SEF tables, the information required to be included in the report in accordance with decision 15/CMP.1, annex, paragraphs 12–16, in conjunction with decision 3/CMP.11 is also presented in the reports on: (a) discrepancies identified by the international transaction log (ITL); (b) notifications from the Executive Board of the clean development mechanism; (c) records of non-replacement identified by the ITL; and (d) units in the national registry no valid towards compliance. These reports are usually known as R2–R5 reports respectively.³

II. Information provided before the submission of this report

- 5. The SEF tables of Hungary (with the file name RREG1_HU_2022_2_1.zip) for the period 1 January to 31 December 2022 have been submitted previously and can be found at https://nkvh.kormany.hu/download/8/c8/23000/RREG1_HU_2022_2_1.zip.4
- 6. The reports R2–R5 of Hungary (with the file name HU_SEF2022_R2-R5.zip) for the period 1 January to 31 December 2022 have been submitted previously and can be found at https://nkvh.kormany.hu/download/9/c8/23000/HU_SEF2022_R2-R5.zip.

III. Information included in this report

- 7. The SEF tables of Hungary (with the file name RREG1_HU_2023_2_1_20230909.zip) for the period 1 January to 9 September 2023 are part of this report.
- 8. The reports R2–R5 of Hungary (with the file name RREG2-5_HU_2023_1.zip) for the period 1 January to 9 September 2023 are part of this report

¹ Section XIII of decision 27/CMP.1 (Procedures and mechanisms related to compliance under the Kyoto Protocol) defines the additional period for fulfilling commitments.

² Decisions 5/CMP.1, 13/CMP.1, 15/CMP.1, 22/CMP.1, 27/CMP.1, 1/CMP.8, 1/CMP.17, 3/CMP.11 and 4/CMP.11.

³ Report R2 (list of discrepant transactions) provides information on any discrepancies identified by the international transaction log, and additional information required under paragraph 12 of the annex to decision 15/CMP.1; 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 long-term certified emission reductions, in accordance with paragraphs 13–14 of the annex to decision 15/CMP.1; report R4 (list of non-replacements) provides information on any record of non-replacement identified by the international transaction log, and the additional information required under paragraph 15 of the annex to decision 15/CMP.1; 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, in accordance with paragraph 16 of the annex to decision 15/CMP.1.

⁴ For the SEF tables from 1 January to 9 September 2023, see paragraph 7 in this report.

IV. Other information included in this report

- a) Information on actions to correct discrepancies identified from 1 January 2022 to 9 September 2023, changes to the national registry to prevent discrepancies from reoccurring and resolution of previous questions of implementation pertaining to transactions
- 9. In accordance with paragraph 17 of the annex to decision 15/CMP.1 in conjunction with decision 3/CMP.11, Hungary reports that no discrepancies have been identified by the ITL during the periods 1 January to 31 December 2022 or 1 January to 9 September 2023 and therefore, there was no need to take any action or make any change to its registry with regard to this issue.
- 10. In accordance with paragraph 17 of the annex to decision 15/CMP.1 in conjunction with decision 3/CMP.11, Hungary reports that no questions of implementation pertaining to its transactions have been previously identified.

b) Commitment period reserve

11. The commitment period reserve (CPR) of Hungary is 391 037 652. Hungary's CPR is contained in annex II, table II.1, of the "Report on the individual review of the annual submission of Hungary submitted in 2022" and was agreed by the relevant expert review team.

c) Total quantity of units in the retirement account

12. Table 1 presents the total quantity of Kyoto Protocol units in Hungary's retirement account at the end of the true-up period for the second commitment period, in accordance with paragraph 49(b) of the annex to decision 13/CMP.1 in conjunction with decision 3/CMP.11.

Table 1. Total quantity of Kyoto Protocol units in the retirement account for the second commitment period (2013-2020)

AAUs	ERUs	RMUs	CERs	tCERs	ICERs	Total
335 550 700						335 550 700

Abbreviations: AAUs = assigned amount units, CERs = certified emission reductions, ERUs = emission reduction units, RMUs = removal units, tCERs = temporary certified emission reductions, lCERs = long-term certified emission reductions.

13. The information regarding the serial numbers of the units mentioned in table 1 can be found at https://nkvh.kormany.hu/download/7/c8/23000/HU_CP2_retired_units.pdf.

d) Carry over of units

14. Hungary wishes to carry over 367 774 874 AAUs, 3 873 894 ERUs and 5 335 276 CERs to the subsequent commitment period in accordance with decision 13/CMP.1, section F, in conjunction with decision 3/CMP.1, and decision 1/CMP.8.

The information regarding the serial numbers of the units can be found at https://nkvh.kormany.hu/download/f/c8/23000/HU_CP2 units to carry-over.pdf.

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⁵ FCCC/ARR/2022/HU.

V. Annex (EU Compliance)

The terms of the agreement to fulfil jointly the commitments of the European Union, its Member States⁶ and Iceland ('the members') under Article 3 of the Kyoto Protocol for the second commitment period of the Kyoto Protocol, as adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change ('UNFCCC') serving as the meeting of the Parties to the Kyoto Protocol in Doha, by Decision 1/CMP.8, in accordance with Article 4 of the Kyoto Protocol provides that the members will fulfil their commitments by ensuring that, in accordance with Article 4(5) and (6) of the Kyoto Protocol, the combined sum of the aggregate anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A to the Kyoto Protocol in the Member States and Iceland does not exceed their joint assigned amount.

The joint assigned amount of the EU, its Member States and Iceland for the period 2013-2020, as established in the initial review report, is 37 604 433 280 t CO2 eq⁷.

The assigned amounts of the individual Member States and Iceland cover the emissions from sectors and gases listed in Annex A to the Kyoto Protocol not covered by the EU's emissions trading system (ETS), i.e., emissions covered by the EU's <u>Effort Sharing Decision</u>. The assigned amounts for the period 2013-2020 were calculated per each Member State after exclusion of LULUCF activities. However, 5 countries (NL, UK, DK, PT and LU) were allowed to include net emissions from deforestation activities in the calculation of their assigned amounts. The total amount assigned to the individual Member States and Iceland is 21 791 343 942 t CO2 eq. A breakdown of the assigned amounts per country is presented in Table A.1.

The assigned amount of the Union for the period 2013-2020 amounts to the difference between the joint assigned amount and the sum of the individual assigned amounts of the Member States and Iceland, and is, as established in the UNFCCC initial review report, 15 813 089 338 t CO2 eq. It covers emissions under the EU ETS. The sectors covered by the EU Emissions Trading System are those specified in Annex I of the <u>EU ETS Directive</u> and taking into account the application of its Articles 24 and 27.

Based on the above, for the purpose of compliance with the second commitment period of the Kyoto protocol, the assigned amounts of the individual Member States and Iceland should not be compared with the sum of the anthropogenic carbon dioxide equivalent emissions of the greenhouse gases listed in Annex A to the Kyoto Protocol in these individual countries as the calculation of the assigned amounts of these countries excludes ETS emissions on their territory.

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⁶ In this Annex, 'Member States' should be understood as the current 27 EU Member States and the United Kingdom.

 $^{^{7}\ \}underline{\text{https://unfccc.int/process/transparency-and-reporting/reporting-and-review-under-the-kyoto-protocol/second-commitment-period/initial-reports}$

Table A-1 - Assigned amount per member to the agreement

Country	Assigned amount in tonnes CO ₂ eq. considering Article 3 (7bis)		
Austria	405.712.317		
Belgium	584.228.513		
Bulgaria	222.945.983		
Croatia	162.271.086		
Cyprus	47.450.128		
Czech Republic	520.515.203		
Denmark	269.377.890		
Estonia	51.056.976		
Finland	240.544.599		
France	3.014.714.832		
Germany	3.592.699.888		
Greece	480.791.166		
Hungary	434.486.280		
Ireland	343.519.892		
Italy	2.410.291.421		
Latvia	76.633.439		
Lithuania	113.600.821		
Luxembourg	72.454.473		
Malta	9.299.769		
Netherlands	924.777.902		
Poland	1.583.938.824		
Portugal	429.581.969		
Romania	656.059.490		

Slovakia	202.268.939
Slovenia	99.425.782
Spain	1.766.877.232
Sweden	315.554.578
United Kingdom	2.744.937.332
Iceland	15.327.217
Total	21 791 343 942