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## Report of the technical review of the first biennial report of Cyprus

Developed country Parties are requested, in accordance with decision 2/CP.17, to submit their first biennial report to the secretariat by 1 January 2014. This report presents the results of the technical review of the first biennial report of Cyprus conducted by an expert review team in accordance with the “Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention”.

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## I. Introduction and summary

### A. Introduction

1. For Cyprus, the Convention entered into force on 13 January 1998. Under the Convention, Cyprus made a commitment to contribute to the joint European Union (EU) economy-wide emission reduction target of 20 per cent of greenhouse gas (GHG) emissions by 2020 compared with the 1990 level. The EU also made an offer to move to a 30 per cent reduction conditional on other developed countries committing to a comparable target and developing countries contributing adequately under a new global climate change agreement.
2. This report covers the centralized technical review of the first biennial report (BR1)<sup>1</sup> of Cyprus, coordinated by the secretariat, in accordance with the “Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention” (decision 23/CP.19).
3. The review took place from 5 to 10 May 2014 in Bonn, Germany and was conducted by the following team of nominated experts from the UNFCCC roster of experts: Mr. Hamid Alsadoon (Saudi Arabia), Mr. Kennedy Amankwa (Ghana), Mr. Fernando Farias (Chile), Ms. Violeta Hristova (Bulgaria), Mr. Hans Halvorson Kolshus (Norway), Ms. Asia Mohamed (Sudan), Mr. Rostislav Neveceral (Czech Republic), Mr. Asger Strange Olesen (Denmark), Ms. Natalya Parasyuk (Ukraine), Mr. Marcelo Rocha (Brazil), Ms. Lilia Taranu (Republic of Moldova) and Mr. Harry Vreuls (Netherlands). Mr. Amankwa and Mr. Vreuls were the lead reviewers. The review was coordinated by Ms. Xuehong Wang and Ms. Sivi Monni (secretariat).
4. During the review, the expert review team (ERT) reviewed each section of the BR1.
5. In accordance with decision 23/CP.19, a draft version of this report was communicated to the Government of Cyprus. There were no comments from the Party.

### B. Summary

6. The ERT conducted a technical review of the information reported in the BR1 of Cyprus according to the “UNFCCC biennial reporting guidelines for developed country Parties” (hereinafter referred to as the UNFCCC reporting guidelines on BRs).
7. Cyprus became a Party included in Annex I to the Convention (Annex I Party) on 9 January 2013. The national communication (NC) submitted by Cyprus in conjunction with the BR1 was the first submitted by Cyprus. Therefore, the ERT considers that the reporting requirements related to changes since the previous NC were not applicable to Cyprus.
8. During the review, Cyprus provided further relevant information; for example, a description of its quantified economy-wide emission reduction target.

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<sup>1</sup> The biennial report submission comprises the text of the report and the common tabular format (CTF) tables. Both the text and the CTF tables have been subject to the technical review.

## 1. Completeness and transparency of reporting

9. Gaps and issues related to the reported information identified by the ERT are presented in table 1 below.

## 2. Timeliness

10. The BR1 was submitted on 31 December 2013, before the deadline of 1 January 2014 mandated by decision 2/CP.17. The common tabular format (CTF) tables were also submitted on 31 December 2013.

## 3. Adherence to the reporting guidelines

11. The information reported by Cyprus in its BR1 and CTF tables is mostly in adherence to the UNFCCC reporting guidelines on BRs as per decision 2/CP.17 (see table 1).

Table 1

### Summary of completeness and transparency issues of reported information in the first biennial report of Cyprus<sup>a</sup>

<i>Sections of the biennial report</i>	<i>Completeness</i>	<i>Transparency</i>	<i>Reference to paragraphs</i>
Greenhouse gas emissions and trends	Complete	Transparent	
Assumptions, conditions and methodologies related to the attainment of the quantified economy-wide emission reduction target	Partially complete	Transparent	14, 15, 19
Progress in achievement of targets	Mostly complete	Transparent	20, 26
Projections	Partially complete	Transparent	30
Provision of support to developing country Parties <sup>b</sup>	NA	NA	

*Abbreviation:* NA = not applicable.

<sup>a</sup> A list of recommendations pertaining to the completeness issues identified in this table is included in chapter III below (conclusions).

<sup>b</sup> Cyprus is not a Party included in Annex II to the Convention and is therefore not obliged to adopt measures and fulfil obligations as defined in Article 4, paragraphs 3, 4 and 5, of the Convention.

## II. Technical review of the reported information

### A. All greenhouse gas emissions and removals related to the quantified economy-wide emission reduction target

12. Cyprus has provided a summary of information on GHG emission trends for the period 1990–2011 in the BR1 and CTF table 1. This information is fully consistent with the 2013 national GHG inventory submission.

13. Total GHG emissions<sup>2</sup> excluding emissions and removals from land use, land-use change and forestry (LULUCF) increased by 50.3 per cent between 1990 and 2011. The main drivers of the overall increase in emissions were increased electricity production and increased energy consumption in the residential and transport sectors. Further information on the review of emissions and emission trends is provided in chapter II.A of the report of the technical review of the sixth national communication (IDR/NC6).

## **B. Assumptions, conditions and methodologies related to the attainment of the quantified economy-wide emission reduction target**

14. In its BR1, Cyprus reported that a description of its quantified economy-wide emission reduction target is not applicable because Cyprus ratified the Kyoto Protocol as a non-Annex B Party and therefore did not have a quantified economy-wide emission reduction target for the first commitment period. CTF tables 2(a)–2(f) were all blank, except table 2(b) regarding sectors covered by the quantified emission reduction target.

15. However, the ERT noted that under the Convention, Cyprus contributes to the EU's quantified economy-wide target to achieve 20 per cent reduction of emissions by 2020 compared with the 1990 (base year) level. The target for the EU and its member States is formalized in the EU climate and energy package legislation. This includes the European Union Emissions Trading System (EU ETS) and the effort-sharing decision (ESD). This legislative package regulates emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. Global warming potentials from the Fourth Assessment Report of the Intergovernmental Panel on Climate Change are used to aggregate EU GHG emissions up to 2020.

16. The EU also made an offer to move to a 30 per cent reduction conditional on other developed countries committing to a comparable target and developing countries contributing adequately under a new global climate change agreement.

17. The ERT further noted that regulation of the emissions covered by the EU ETS entered into force on 1 January 2005, and the new period started in 2013 based on a yearly reduction equal to 1.74 per cent of the average allocation in the period 2008–2012, extrapolated starting in 2010, leading to a 21 per cent GHG emissions reduction by 2020 compared with the 2005 level. Emissions of sectors not covered by the EU ETS are regulated by member State specific targets starting in 2013, based on average emissions from 2008 to 2010, which leads to a collective reduction by all the member States of about 10 per cent by 2020 compared with 2005 at the EU level. In accordance with the ESD, this translates into a 5 per cent reduction target for Cyprus by 2020 compared with the 2005 level.

18. During the review, Cyprus confirmed that the base year for the quantified economy-wide emission reduction target is 1990 and that the LULUCF sector is excluded from the target. The Party also stated that the table 2(e)I on market-based mechanisms was left blank as Cyprus was not an Annex I Party during the first commitment period of the Kyoto Protocol and therefore did not participate in the mechanisms.

19. The ERT recommends that Cyprus report in its next biennial report (BR) all the required information regarding the quantified economy-wide emission reduction target, or provide explanations for not reporting the required information.

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<sup>2</sup> In this report, the term “total GHG emissions” refers to the aggregated national GHG emissions expressed in terms of carbon dioxide equivalent excluding LULUCF.

**C. Progress made towards the achievement of the quantified economy-wide emission reduction target**

20. In its BR1, Cyprus reported that the progress towards the achievement of the quantified economy-wide emission reduction target is not applicable as Cyprus did not have an emission reduction target during the first commitment period of the Kyoto Protocol. Cyprus did not report any information in CTF table 4 (covering years up to 2012). The ERT noted that under the Convention, Cyprus made a commitment to contribute to the achievement of the joint EU economy-wide emission reduction target of 20 per cent of GHG emissions compared with the 1990 level by 2020. The ERT recommends that the Party report, in CTF table 4 of its next BR submission, the relevant information for the base year (1990) and other years which are relevant for the quantified economy-wide emission reduction target.

21. In CTF table 3, Cyprus reported information on its mitigation actions implemented and planned.

22. The ERT reviewed the reported information and provided its assessment of progress made towards achieving the target. The ERT noted progress made by Cyprus. Cyprus reported policies and measures (PaMs) which are implemented, adopted and planned in order to fulfil the quantified economy-wide emission reduction target as a common commitment of the EU. In accordance with the ESD, Cyprus has a country-specific emission reduction target of 5 per cent by 2020 compared with the 2005 level for sectors not included in the EU ETS. The projected emissions in 2020 (including EU ETS and non-emissions trading system (non-ETS) sectors) were 25.5, 57.7 and 62.9 per cent below the 2005 level under the ‘without measures’, ‘with measures’ and ‘with additional measures’ scenarios, respectively. The ERT considers that reporting (i) mitigation impact per action and (ii) projected emissions for the EU ETS sector and the non-ETS sectors separately could improve the transparency of information and enable an assessment by the ERT of the Party’s progress towards its emission reduction target.

**1. Mitigation actions and their effects**

23. Cyprus did not provide in its BR1 information on its package of mitigation actions introduced since its last NC, as the first NC was submitted in conjunction with the BR1 submission. CTF table 3 provided information on mitigation actions organized by sector and by gas.

24. Under the Convention, Cyprus made a commitment to contribute to the joint EU economy-wide emission reduction target of 20 per cent of GHG emissions by 2020 compared with the 1990 level. In its sixth national communication (NC6), Cyprus provided information on PaMs relevant to the 20 per cent emission reduction target under the climate and energy package, which is materially the same as the joint EU commitment under the Convention. The information on mitigation actions reported in CTF table 3 is consistent with the information on PaMs in the NC6. A detailed review of the reported information is provided in chapter II.B of the IDR/NC6.

25. Table 2 provides a concise summary of the key mitigation actions implemented by Cyprus to achieve its target.

**Table 2  
Summary of information on mitigation actions reported by Cyprus**

<i>Sectors affected</i>	<i>List of key policies and measures</i>	<i>Estimate of mitigation impact (kt CO<sub>2</sub> eq)</i>
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<i>Sectors affected</i>	<i>List of key policies and measures</i>	<i>Estimate of mitigation impact (kt CO<sub>2</sub> eq)</i>
<b><i>Policy framework and cross-sectoral measures</i></b>	EU ETS and ESD	NR
<b><i>Energy</i></b>		
Energy supply	Introduction of natural gas	887
Renewable energy	Promotion of RES in electricity production	373
	Promotion of RES in heating and cooling	99
	Promotion of RES in transport	69
Energy efficiency	Promotion of energy efficiency in residential buildings	841
	Promotion of efficient light bulbs	60
Residential and commercial sectors	Promotion of energy savings in companies	45
<b><i>Transport</i></b>		
	Promotion of public transport	77
	Promotion of low-carbon dioxide vehicles (e.g. vehicle registration fee)	85
<b><i>Industrial sectors</i></b>	Promotion of alternative fuels and biomass in the cement industry	16
<b><i>Agriculture</i></b>	Promotion of anaerobic digestion	0.06
<b><i>Waste management</i></b>	Methane recovery from managed WDS	241
	Management of unmanaged WDS	40

*Note:* The greenhouse gas reduction estimates given are reductions in carbon dioxide equivalent for 2020.

*Abbreviations:* ESD = effort-sharing decision, EU ETS = European Union Emissions Trading System, NR = not reported, RES = renewable energy sources, WDS = waste disposal sites.

26. In its BR1, Cyprus did not provide any information on the changes in its domestic institutional arrangements and reported that the reporting requirement regarding changes in national inventory arrangements does not apply, owing to its change in status to an Annex I Party in January 2013 and to the fact that the NC6 was the first NC submitted by the Party. The ERT acknowledges the change of status as a viable reason for not providing the information on changes in institutional arrangements. The ERT recommends that Cyprus provide in its next BR information on the changes in its domestic institutional arrangements, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, archiving of information and evaluation of the progress towards its target.

27. Cyprus did not provide information on the assessment of the economic and social consequences of response measures. The ERT encourages the Party to do so in its next BR.

## **2. Estimates of emission reductions and removals and the use of units from the market-based mechanisms and land use, land-use change and forestry**

28. Cyprus did not report in its BR1 or CTF tables on its plans to use market-based mechanisms under the Convention and other mechanisms and on the contribution from LULUCF. During the review, the Party informed the ERT that CTF table 4 was not completed because Cyprus was not an Annex I Party during the first commitment period of the Kyoto Protocol (see also para. 20 above). Cyprus also explained during the review that

it has committed to contributing to the joint EU economy-wide emission reduction target of 20 per cent of GHG emissions by 2020 compared with the 1990 level, and that the joint EU commitment excludes LULUCF. Table 3 illustrates how Cyprus reported on the use of units from market-based mechanisms and LULUCF to achieve its target in its BR1 and during the review.

Table 3

**Summary information on the use of units from the market-based mechanisms and land use, land-use change and forestry as part of the reporting on the progress made towards achievement of the target by Cyprus**

Year	<i>Emissions excluding LULUCF (kt CO<sub>2</sub> eq)<sup>a</sup></i>	<i>LULUCF emissions/removals (kt CO<sub>2</sub> eq)<sup>b</sup></i>	<i>Emissions including LULUCF (kt CO<sub>2</sub> eq)<sup>b</sup></i>	<i>Use of units from the market-based mechanisms (kt CO<sub>2</sub> eq)<sup>c</sup></i>
	1990	6 090.85	NA	NA
2010	9 443.54	NA	NA	NA
2011	9 154.37	NA	NA	NA
2012	NR	NA	NA	NA

*Abbreviation:* LULUCF = land use, land-use change and forestry, NA = not applicable, NR = not reported.

<sup>a</sup> Source: CTF table 1.

<sup>b</sup> The European Union joint commitment to reduce greenhouse gas emissions by 20 per cent by 2020 compared with 1990 does not include emissions/removals from LULUCF.

<sup>c</sup> Cyprus did not have a quantified emission reduction commitment for the first commitment period of the Kyoto Protocol (2008–2012) and therefore the use of market-based mechanisms during that period is not applicable for Cyprus.

### 3. Projections

29. Cyprus has provided in its BR1 and CTF tables 5 and 6 comprehensive information on its projections for 2020. A detailed review of the reported information is provided in chapter II.C of the IDR/NC6. Cyprus has reported consistent information in the NC6 and BR1.

30. Cyprus did not provide projections for up to 2030, as required by the UNFCCC reporting guidelines on BRs. The ERT recommends that Cyprus report in its next BR at least the ‘with measures’ scenario up to 2030.

31. In its BR1, Cyprus indicated that reporting of changes in scenario methods is not applicable, as the NC6 was the first NC submitted by the Party.

32. The ERT noted information reported by Cyprus on projected emission trends by 2020. The projected changes in GHG emissions under the ‘without measures’ scenario, in relation to 1990, and under the ‘with measures’ and ‘with additional measures’ scenarios are an increase of 13.9 per cent, a decrease of 35.4 per cent and a decrease of 43.2 per cent, respectively. The ERT further noted that the economy-wide emission reduction target is a joint target of EU member States and that the EU ETS sets an EU-wide cap for emissions included in the EU ETS. In accordance with the ESD, Cyprus has a country-specific emission reduction target of 5 per cent by 2020 compared with the 2005 level for sectors not included in the EU ETS. The ERT noted that reporting projected emissions for the EU ETS and non-ETS sectors separately could improve the transparency of information and enable an assessment by the ERT of the Party’s progress towards its emission reduction target.



## D. Provision of financial, technological and capacity-building support to developing country Parties

33. Cyprus is not included in Annex II to the Convention and is therefore not obliged to report in its BR on the provision of financial, technological and capacity-building support to developing country Parties. However, its BR1 did include some relevant information regarding financial and capacity-building support. The ERT assessed this information and the findings are reflected in this report. The ERT commends Cyprus for reporting the information.

### 1. Provision of financial support to developing country Parties

34. In its BR1 and CTF table 7, Cyprus provided information on its financial support to developing country Parties. During the review, Cyprus provided details on the financial resources and clarified how these resources are 'new and additional'. Cyprus described in the NC6 how its resources addressed the adaptation needs of Parties not included in Annex I to the Convention.

35. Within the BR1, Cyprus reported on two projects (funded in 2010 and 2012). In CTF table 7 it reported on its contributions consisting of its 2012 grants to the Global Climate Change Alliance project in the Caribbean. Table 4 includes some of the information reported by Cyprus on its provision of financial support.

Table 4

#### Summary of information on provision of financial support in 2012

(United States dollars)

<i>Allocation channel of public financial support</i>	<i>Year of disbursement</i>
Total contributions through bilateral, regional and other channels	811 360

### 2. Capacity-building

36. In its BR1 and CTF table 9, Cyprus has provided information on its capacity-building support for adaptation. Cyprus provided information on financial support provided together with the EU to a project on building climate resilience in Nepal in 2010. The ERT noted that the funding provided contributed to capacity-building, but considers that reporting such funding as financial rather than as capacity-building support could improve the transparency of the reporting.

## III. Conclusions

37. The ERT conducted a technical review of the information reported in the BR1 and CTF tables of Cyprus in accordance with the UNFCCC reporting guidelines on BRs. The ERT concludes that the BR1 and CTF tables provide a good overview of information on emissions and removals related to the quantified economy-wide emission reduction target, mitigation actions and projections. During the review, the Party provided further information; for example, on the description of the target. The ERT noted that due to the fact that Cyprus submitted its first NC in conjunction with the BR1 submission, some reporting elements described in the UNFCCC reporting guidelines on BRs referring to changes since the previous NC were not applicable to Cyprus. Some of the recommendations formulated by the ERT are provided considering that those reporting requirements are applicable to Cyprus for its next BR.

38. Cyprus's emissions and removals related to the target for 2011 were estimated to be 50.3 per cent above its 1990 level excluding LULUCF. The main drivers of the overall emissions increase were increased electricity production and increased energy consumption in the residential and transport sectors.

39. In its BR1, Cyprus reported that a description of its quantified economy-wide emission reduction target is not applicable because Cyprus ratified the Kyoto Protocol as a non-Annex B Party and therefore did not have a quantified economy-wide emission reduction target for the first commitment period of the Kyoto Protocol. The ERT noted that as an EU member State, Cyprus committed to the joint EU economy-wide emission reduction target of 20 per cent of GHG emissions compared with the 1990 level by 2020. The target for the EU and its member States is formalized in the EU climate and energy package legislation. This includes the EU ETS and the ESD. Emissions and removals from the LULUCF sector are not included in the quantified economy-wide target. During the review, Cyprus provided further information on this target.

40. Cyprus does not have a national quantified economy-wide emission reduction target. Emissions that fall under the EU ETS sector contribute to the EU-wide EU ETS target of a 21 per cent reduction by 2020 compared with 2005. For the non-ETS sectors (excluding LULUCF), the EU-wide target of a 20 per cent emission reduction in 2020 compared with the base year has been translated into a 5 per cent reduction target for Cyprus (compared with 2005).

41. The ERT noted information reported by Cyprus on the projected emission trends by 2020. According to the reported information, the projected changes in GHG emissions under the 'without measures' scenario, in relation to 1990, and under the 'with measures' and 'with additional measures' scenarios are an increase of 13.9 per cent, a decrease of 35.4 per cent and a decrease of 43.2 per cent, respectively. In 2011, the emissions were estimated to be 1.7 per cent below the 2005 level. The projected emissions in 2020 (including EU ETS and non-ETS sectors) were 25.5, 57.7 and 62.9 per cent below the 2005 level under the 'without measures', 'with measures' and 'with additional measures' scenarios, respectively. The ERT noted that reporting projected emissions for the EU ETS and non-ETS sectors separately could improve the transparency of information and enable an assessment by the ERT of the Party's progress towards its emission reduction target.

42. Cyprus reported information on its mitigation actions implemented and planned in CTF table 3. The most important PaMs in terms of mitigation impact by 2020 are introduction of natural gas, promotion of energy efficiency in residential buildings and promotion of the use of renewable energy sources in electricity production. Cyprus did not report on its plans to use market-based mechanisms for achievement of the target.

43. The ERT welcomes the information provided by Cyprus regarding the provision of financial and capacity-building support to developing country Parties, even though it is not required to report on this matter as a Party not included in Annex II to the Convention.

44. In the course of the review, the ERT formulated several recommendations relating to the completeness of Cyprus's reporting under the Convention. The key recommendations<sup>3</sup> are that Cyprus improve the completeness of reporting by including in the next BR submission:

(a) All required information regarding the quantified economy-wide emission reduction target or explanations for not doing so;

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<sup>3</sup> The recommendations are given in full in the relevant sections of this report.

- (b) The relevant information for the base year (1990) and other years that are relevant for the quantified economy-wide emission reduction target in CTF table 4;
- (c) Information on the changes in its domestic institutional arrangements, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, the archiving of information and the evaluation of progress towards its target;
- (d) An updated 'with measures' projection for up to 2030.

## Annex

### Documents and information used during the review

#### A. Reference documents

“UNFCCC biennial reporting guidelines for developed country Parties”. Annex to decision 2/CP.17. Available at

<<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=4>>.

“Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention”. Decision 23/CP.19. Available at

<<http://unfccc.int/resource/docs/2013/cop19/eng/10a02.pdf#page=20>>.

Sixth national communication of Cyprus. Available at

<[http://unfccc.int/files/national\\_reports/annex\\_i\\_natcom/submitted\\_natcom/application/pdf/cyp\\_nc6%5B1%5D.pdf](http://unfccc.int/files/national_reports/annex_i_natcom/submitted_natcom/application/pdf/cyp_nc6%5B1%5D.pdf)>.

First biennial report of Cyprus. Available at

<[https://unfccc.int/files/national\\_reports/annex\\_i\\_natcom/submitted\\_natcom/application/pdf/cyp\\_nc6%5B1%5D.pdf](https://unfccc.int/files/national_reports/annex_i_natcom/submitted_natcom/application/pdf/cyp_nc6%5B1%5D.pdf)>.

Common tabular format tables of Cyprus. Available at

<[http://unfccc.int/files/national\\_reports/biennial\\_reports\\_and\\_iar/submitted\\_biennial\\_reports/application/pdf/cyp\\_2014\\_v1.0\\_formatted.pdf](http://unfccc.int/files/national_reports/biennial_reports_and_iar/submitted_biennial_reports/application/pdf/cyp_2014_v1.0_formatted.pdf)>.

2013 GHG inventory submission of Cyprus. Available at

<[http://unfccc.int/national\\_reports/annex\\_i\\_ghg\\_inventories/national\\_inventories\\_submissions/items/7383.php](http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/7383.php)>.

#### B. Additional information provided by the Party

Responses to questions during the review were received from Ms. Nicoletta Kythreotou (Ministry of Agriculture, Natural Resources and Environment), including additional material on policies and measures, greenhouse gas projections, and recent climate policy developments in Cyprus.

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