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Report of the technical review of the first biennial report of Italy

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 Italy 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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Contents

I. Introduction and summary

A. Introduction

1. For Italy, the Convention entered into force on 14 July 1994. Under the Convention, Italy 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 below 1990 level.

2. This report covers the in-country technical review of the first biennial report (BR1)[1] of Italy, 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 7 to 12 April 2014 in Rome, Italy, and was conducted by the following team of nominated experts from the UNFCCC roster of experts: Ms. Maryna Bereznytska (Ukraine), Ms. Ann Gan (Singapore), Mr. Amit Garg (India) and Mr. Kai Bastian Kuhnhenn (Germany). Ms. Bereznytska and Mr. Garg were the lead reviewers. The review was coordinated by Ms. Ruta Bubniene (secretariat).

4. During the review, the expert review team (ERT) examined each section of the BR1, including the common tabular format (CTF) tables.

5. In accordance with decision 23/CP.19, a draft version of this report was communicated to the Government of Italy, which provided comments that were considered and incorporated, as appropriate, into this final version of the report.

B. Summary

6. The ERT conducted a technical review of the information reported in the BR1 of Italy according to the "UNFCCC biennial reporting guidelines for developed country Parties" (hereinafter referred to as the UNFCCC reporting guidelines on BRs).

7. During the review, Italy provided further relevant information; namely, that related to progress made towards its target and the provision of support to developing countries.

1. Completeness and transparency of reporting

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

2. Timeliness

9. The BR1 was submitted on 12 February 2014, after the deadline of 1 January 2014 mandated by decision 2/CP.17. The CTF tables were submitted on 10 February 2014. The submission date of the CTF tables differs from that of the BR1. Italy informed the secretariat about its difficulties with the timeliness of its BR1 and CTF tables on 20 December 2013 in accordance with decision 23/CP.19, annex, paragraph 65. The ERT noted the delay in the submission of the BR1 and CTF tables, and recommends that Italy improve the timeliness of the submission of its next biennial report (BR).

[1] 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.

3. Adherence to the reporting guidelines

10. The information reported by Italy in its BR1 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 Italy[2]

Sections of the biennial report	*Completeness*	*Transparency*	*Reference to paragraphs*
Greenhouse gas emissions and trends	Complete	Transparent	
Assumptions, conditions and methodologies related to the attainment of the quantified economy-wide emission reduction target	Complete	Transparent	
Progress in achievement of targets	Complete	Mostly transparent	27
Projections	Complete	Transparent	
Provision of support to developing country Parties	Partially complete	Mostly transparent	36, 46

II. Technical review of the reported information

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

11. Italy has provided a summary of information on GHG emission trends for the period 1990–2011 in its BR1 and CTF table 1 and for the period 1990–2012 during the review. The information provided during the review is consistent with the 2014 national GHG inventory submission.

12. Total GHG emissions[3] excluding emissions and removals from land use, land-use change and forestry (LULUCF) decreased by 11.4 per cent between the base year[4] and 2012, whereas total GHG emissions including net emissions or removals from LULUCF decreased by 14.3 per cent over the same period. Further information on the review of emissions and emission trends is provided in chapter II.A of the report of the in-depth review of the sixth national communication (IDR/NC6).

13. During the review, Italy provided additional information, elaborating on financial resources provided to developing country Parties, projections and total effect of policies and measures (PaMs).

[2] A list of recommendations pertaining to the completeness and transparency issues identified in this table is included in chapter III below (conclusions).

[3] In this report, the term “total GHG emissions” refers to the aggregated national GHG emissions expressed in terms of carbon dioxide equivalent excluding land use, land-use change and forestry, unless otherwise specified.

[4] For the purposes of reporting in the BR1, the base year under the Convention for Italy is 1990 for all gases.

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

14. In its BR1 and CTF table 2, Italy provided a description of its target, including associated conditions and assumptions. As its quantified economy-wide emission reduction target, Italy quoted the EU's joint target to reduce emissions by 20 per cent by 2020 compared with 1990 (base year) and the corresponding EU climate and energy package. The target and the trajectory to meet the target are enshrined in the directive on the European Union Emissions Trading System (EU ETS) (2003/87/EC and respective amendments) and the effort-sharing decision (ESD) (406/2009/EC). The emission reduction to be achieved by the sectors covered by the EU ETS will be 21 per cent below 2005 emission levels. No individual member State targets have been set for the emissions covered by the EU ETS. For the emissions covered under the ESD, Italy's target is to reduce emissions by 13 per cent by 2020 compared with 2005, on a linear path from 2013 onwards. In line with the EU target, Italy does not include emissions or removals from the LULUCF sector in defining its quantified economy-wide emission reduction target. The gases covered by the target are carbon dioxide (CO_2), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. The global warming potentials from the Fourth Assessment Report of the Intergovernmental Panel on Climate Change are used. The sectors covered are energy, transport, industrial processes, agriculture and waste.

15. The EU climate and energy package allows certified emission reductions (CERs) and emission reduction units (ERUs) to be used for compliance purposes, subject to a number of restrictions in terms of origin and type of project, and up to an established limit. In addition, the legislation foresees the possible recognition of units from new market mechanisms provided that the necessary legal arrangements to create such units are in place. Under the EU ETS, the limit is up to 50 per cent of the required reduction below 2005 levels. In the sectors not covered by the EU ETS, annual use shall not exceed 3 per cent of each member State's non-emissions trading system GHG emissions in 2005. Regarding the use of CERs and ERUs, the exact number of units that can be used during the period 2013–2020 can be determined only after the final data concerning the use of these units during the period 2008–2012 and relevant GHG emissions data become available.

16. Assigned amount units (AAUs) for the period 2013–2020 have not yet been determined. The EU expects to achieve its 20 per cent target for the period 2013–2020 with the implementation of the EU ETS directive and the ESD for the non-emissions trading system sectors, which do not allow for the use of AAUs from non-EU Parties.

17. At the ninth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol the EU made a declaration when adopting the Doha amendment to the Kyoto Protocol, as follows: The EU climate and energy package legislation for the implementation of EU emission reduction objectives for the period 2013–2020 does not allow for the use of surplus AAUs carried over from the first commitment period of the Kyoto Protocol to meet these objectives.

18. Apart from information on the approach to counting emissions and removals from LULUCF which was not reported, Italy has provided a clear description of its quantified economy-wide emission reduction target and related methodologies. The ERT recommends that Italy include the missing information in its next BR.

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

19. In its BR1 and CTF tables 3 and 4, Italy reported information on its mitigation actions implemented and planned since its fifth national communication (NC5) to achieve its target. Italy did not report on the extent to which its use of units from market-based mechanisms and LULUCF makes it possible to achieve its quantified economy-wide emission reduction target. Italy provided information on its total emissions in the years 1990, 2010, 2011 and 2012 and the contributions from LULUCF to these emissions. Italy also provided the quantity of units from market-based mechanisms under the Convention, in this case from the EU ETS. According to this information, Italy surrendered 597,100 kt CO_2 in 2011 and 190,100 kt CO_2 in 2012.

1. Mitigation actions and their effects

20. In its BR1 and CTF table 3, Italy has provided information on its package of mitigation actions introduced to achieve its target. The BR1 provided information on mitigation actions organized by sector and by gas. A detailed review of the reported information is provided in chapter II.B of the IDR/NC6. The ERT noted that the BR1 references chapter 4.4 of the NC6.

21. According to Italy, the most effective national cross-sectoral measure that has been implemented is the white certificates system, which aims at promoting energy efficiency and delivering emission reductions in all energy end-use sectors. The system was first introduced in 2001 and has been improved and expanded over the years. In 2012, the White Certificate Decree was issued, which relates to (1) the determination of national quantitative targets for energy savings that must be pursued by the distribution companies for electricity and gas from 2013 to 2016 and (2) the expansion of the white certificates system. The decree also defines the criteria, conditions and procedures for implementing energy efficiency measures in the end-use energy sectors.

22. A further extension of the white certificates system until 2020 is planned. To date, 14,769,053 energy efficiency titles or certificates, each equivalent to 1 Mtoe, have been issued under the system. The total estimated mitigation impact of the white certificates system was not provided in the BR1 or the NC6. Instead, the impact was divided into the relevant energy use sectors. During the review, Italy informed the ERT that the success of the white certificates system has been recognized by the European Commission as a best practice and that the European Commission issued a directive under which other EU member States are to adopt similar systems.

23. According to the information in the NC6 and BR1, the other key PaMs that had high mitigation potential were those addressing renewable energy and transport. The ERT noted that electricity production from renewable sources had developed significantly in the period 2010–2012 owing to *Conto Energia* financial incentives. According to the National Energy Strategy, the national target for 2020 was 120–130 TWh per year of gross electricity production from renewable sources. In 2012, Italy was already producing 93 TWh of electricity from renewable sources. Italy stated that the rapid increase in renewable energy could be attributed to the high increase in solar photovoltaic production.

24. The *Conto Energia* was introduced in 2010 and provides compensation for electricity produced by solar photovoltaic and thermodynamic systems for a fixed period (20 years for photovoltaic and 25 years for thermodynamic) through a tariff for all energy produced by such plants. However, the ERT noted that the *Conto Energia* had exhausted the available financial allowances by mid-2013. Italy's planned PaMs in renewable energy,

the National Action Plan for Renewable Energy 2010 and National Plan for Energy Efficiency 2011, which include measures for the promotion of thermal energy from renewable sources and incentives for small-scale interventions that increase the production of thermal energy from renewable sources, were expected to achieve 10,600 kt carbon dioxide equivalent (CO_2 eq) in 2020, while the new policy for promoting and supporting renewable electricity, which includes measures to be determined after the achievement of the 130 TWh renewable electricity target, was expected to achieve 10,000 kt CO_2 eq in 2020, indicated in the National Energy Strategy.

25. PaMs in the transport sector are particularly important given Italy's national circumstance of being the country with the highest per capita car ownership in the world: 1.64 inhabitants per car (0.61 cars per capita). PaMs in the transport sector focused on (1) infrastructural measures such as high-capacity and high-speed transport networks and the fine-tuning of regional networks for passengers and goods; (2) intermodal measures for shifting from private road vehicles to public road transport and for shifting goods transport from road to sea; (3) vehicle fleet update measures such as subsidies to replace older cars with new ones that produce less emissions per kilometre; and (4) fuel switching to renewable energy, with a target of 10 per cent biofuel for transport by 2020. The ERT noted that the fleet update measure, with a reduction target of 120 g CO_2 per km in 2015 and 95 g CO_2 per km in 2020, had the highest mitigation potential of Italy's implemented measures (10,200 kt CO_2 eq by 2020).

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

Table 2
Summary of information on key mitigation actions reported by Italy

Sectors affected	*List of key policies and measures*	*Estimate of mitigation impact (kt CO_2 eq)*
Policy framework and cross-sectoral measures	National Energy Strategy (2013)	NE[a]
	European Union Emissions Trading System	NE[a]
	White certificates system	NE[a]
	Conto Termico (Heating Account), which encourages small-scale energy efficiency measures in public buildings and the production of thermal energy from renewable sources in both the public and the private sector	NE[a]
Energy supply	White certificates that supports combined heat and power and district heating plants for 2008–2012	970
	National Action Plan for Energy Efficiency 2011, which promotes cogeneration and trigeneration	2 260
Renewable energy	National Action Plan for Renewable Energy 2010 and National Plan for Energy Efficiency 2011, which include measures for the promotion of thermal energy from renewable sources and incentives for small scale interventions to increase the production of thermal energy from renewable sources	10 600
	Third *Conto Energia* (Energy Account), which supports the expansion of solar photovoltaic plants through feed-in tariffs up to a maximum capacity of 8,000 MW	2 300
	New policy for promoting and supporting renewable electricity production, which includes measures to be determined after achieving	10 000

Sectors affected	*List of key policies and measures*	*Estimate of mitigation impact (kt CO_2 eq)*
	the 130 TWh renewable electricity target indicated in the National Energy Strategy	
Residential and commercial	Building regulation imposing minimum mandatory standards on new and existing buildings	3 610
Transport	Fuel switch to renewable energy with a target of 10 per cent biofuel for transport by 2020	1 580
	European Union carbon dioxide emission standards for new cars requiring a fleet update at 120 g CO_2 per km in 2015 and 95 g CO_2 per km in 2020	10 200
	Measures to improve transport infrastructure including high-capacity and high-speed roads (to avoid traffic congestion) and regional networks for passengers and freight to encourage a modal switch	5 700
Industrial	Promotion of energy efficiency	3 580
Agriculture	Rationalization of nitrogen fertilizer use	790
Industrial Processes	Reduction of nitrous dioxide emissions in nitric acid production plants	740
Forestry	No policies or measures reported	NA
Waste management	Separate waste collection	3 700

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

Abbreviation: NE = not estimated.

[a] Effects of these cross-cutting measures are reflected in the sectoral policies and measures listed in the table.

27. Italy reported that no changes had occurred 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. Italy reported in its NC6 that the Ministry for the Environment, Land and Sea (IMELS) is responsible for developing the national plan for the reduction of GHG emissions, which was adopted by the Inter-Ministerial Committee for Economic Planning (CIPE), a collective governmental body chaired by the President of the Council of Ministers. The national energy policy is within the competences of the Ministry of Economic Development. The policy is based on the general guidelines set by the Government of Italy and by the Parliament.

28. In 2002 CIPE established an Inter-Ministerial Technical Committee for Greenhouse Gas Emissions to (1) monitor the GHG emissions trend; (2) monitor the status of the implementation of the PaMs identified in the overall national strategy for GHG emissions; and (3) provide general assistance to IMELS in drawing up the national plan for the reduction of GHG emissions. Italy informed the ERT that CIPE is responsible for evaluating progress towards the Party's economy-wide emission reduction target. The ERT noted that it would be useful for Italy to have a system for evaluating the effects of individual PaMs by looking at additional indicators or overlapping measures or by evaluating emissions data at a more granular level. The ERT encourages Italy to elaborate on the methodologies and tools used for the monitoring and evaluation of individual and groups of PaMs in its next BR.

29. Information on the assessment of the economic and social consequences of response measures was not reported in chapter 4 of the BR1 on the progress towards the achievement of the quantified economy-wide emission reduction target. However, Italy did report on the minimization of adverse impacts in chapter 4.8 of the NC6. The ERT encourages Italy to provide detailed information on the assessment of the economic and social consequences of response measures in its future BRs.

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

30. Italy reported on its plans to use market-based mechanisms under the Convention and other mechanisms and on the contribution from LULUCF in its BR1 and CTF table 4. Table 3 illustrates how Italy reported on the use of units from market-based mechanisms and LULUCF to achieve its target.

Table 3
Summary information on the use of units from 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 Italy

Year	*Emissions excluding LULUCF (kt CO_2 eq)*	*LULUCF emissions/removals (kt CO_2 eq)*[a]	*Emissions including LULUCF (kt CO_2 eq)*	Use of units from the market-based mechanisms (kt CO_2 eq)[b]
Base year	518 984.17	NA	NA	NA
2010	500 313.89	NA	NA	2 040
2011	488 792.02	NA	NA	2 040
2012	464 553.41	NA	NA	2 040

Abbreviations: LULUCF = land use, land-use change and forestry, NA = not applicable.

[a] Italy, in common tabular format table 4, reported a contribution from the LULUCF sector of –17,631.40 kt CO_2 eq in 2010 and –16,276.40 kt CO_2 eq in 2011 as part of the information on progress towards the target. The expert review team did not include these values in the above table as Italy is a member State of the European Union, which has an unconditional commitment to reduce greenhouse gas emissions by 20 per cent by 2020 compared with 1990 that does not include emissions/removals from LULUCF.

[b] Italy, in its common tabular format table 4, reported the following figures for the use of market-based mechanisms: for 2011, 597,088.15 units and for 2012, 190,106.91 units. These figures represent the sum of assigned amount units, emission reduction units and certified emission reductions as reported in common tabular format table 4(b). To reach its target for the first commitment period of the Kyoto protocol, 2008–2012, Italy is planning to use 10,200 kt CO_2 eq units from market-based mechanisms, or 2,040 kt annually for the five years 2008–2012. For transparency of reporting, this number is presented in the table above.

3. Projections

31. Italy has provided in its BR1 and CTF tables 5 and 6 comprehensive and well-organized information on its updated projections from 2010 to 2020 and 2030. A detailed review of the reported information is provided in chapter II.C of the IDR/NC6.

32. Because the methodology used to attain emission projections has not changed since the NC5, Italy did not provide information on the changes since the previous national communication in the methodologies used for the preparation of projections.

33. Italy fulfilled all reporting requirements regarding projections in the BR1 in a comprehensive and transparent manner. According to the reported information, Italy is

expected to almost reach its target with existing measures alone (299,400 kt CO_2 eq), and to surpass it when considering the effect of planned PaMs (267,500 kt CO_2 eq).

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

1. Provision of financial support to developing country Parties

34. In its BR1, Italy reported information on the provision of financial, technological and capacity-building support required under the Convention. Italy has provided detailed information on this in CTF tables 7, 7(a) and 7(b) and also in tables 6.1 and 6.2 of the BR1. Italy's climate expenditures for the period 2010–2012 include both fast-start finance-related projects (principal) and climate-relevant projects under other programmes (significant). Italy committed funds in 2011 and 2012 to various programmes for the years beyond 2012.

35. The BR1 does not include the following information required by the UNFCCC reporting guidelines on BRs: how financial resources have been determined to be 'new and additional'; a description of the national approach for tracking the provision of financial, technological and capacity-building support, including information on indicators and delivery mechanisms used and allocation channels tracked; a description of the methodology used to report financial support and underlying assumptions; and information on committed and/or pledged financial support it has provided. The ERT recommends that Italy provide this information in its next BR.

36. During the review, Italy provided additional, mostly transparent information, elaborating on its definition of 'new and additional' and on existing institutional mechanisms for financial resource tracking.

37. In its BR1, Italy provided information on what 'new and additional' financial resources it has provided but did not clarify how it had determined that these resources are 'new and additional'. In CTF tables 7(a) and 7(b) Italy has reported funding according to the column headings as indicated in the reporting requirements of decision 2/CP.17. However, of these amounts, the Party has not indicated which are 'new and additional'. The ERT recommends that Italy provide an indication of what 'new and additional' financial resources it has provided and clarify how it has determined that such resources are 'new and additional' in relation to CTF tables 7(a) and table 7(b) in its next BR.

38. Italy described how its resources address the adaptation and mitigation needs of Parties not included in Annex I to the Convention (non-Annex I Parties). Table 7(b) of the BR1 provides details of public bilateral and other financial support provided to various developing country Parties during 2011 and 2012. Table 4 includes some of the information reported by Italy on its provision of financial support.

39. There has been some shift in country focus between the NC5 and the BR1/NC6. Small island developing States (SIDS) in the South Pacific, Albania, Brazil, China, Egypt, India, Iraq, Mexico, Montenegro, Romania, Serbia and the former Yugoslav Republic of Macedonia form the central focus in the BR1/NC6, whereas Argentina, Belize, Benin, Burkina Faso, Cuba, Kenya, the Niger and Thailand had been the focus in the NC5.

40. Italy has provided financial resources for diverse activities. Most financial resources are provided for cross-cutting issues, followed by mitigation and then adaptation. These activities include the promotion of renewable energy technologies in Kenya, Tunisia and the United Republic of Tanzania; the promotion of energy efficiency in Cameroon and Kenya; the promotion of sustainable development in Iraq and the Caribbean; technology transfer and capacity-building through the Sino-Italian Climate Change Cooperation Program; promotion of biofuels in Brazil; provision of legal support to the designated

national authority in Albania; the monitoring of environmental quality in Montenegro; and the restoration of water resources and the environment in Iraq.

41. Italy allocated EUR 6.68 million from bilateral funding support towards mitigation, EUR 1.22 million towards adaptation and EUR 26.95 million towards cross-cutting issues in 2011. In 2012, mitigation support increased by 46 per cent to EUR 9.74 million and cross-cutting support increased by 7 per cent to EUR 28.83 million, while adaptation support decreased by 53 per cent to EUR 1.87 million. Overall, mitigation received 22 per cent of bilateral financial support over two years while adaptation received 3 per cent; the majority of the support (75 per cent) was extended to cross-cutting issues. The focus for mitigation support is energy, while the focus for adaptation and cross-cutting issues varies.

42. With regard to the most recent financial contributions to enhance the implementation of the Convention by developing countries (fast-start funding), Italy has not specifically indicated any commitments in its BR1. Italy also did not provide any indication of pledged support in its BR1. However, additional information provided by Italy during the review indicates planned total climate expenditure of EUR 19.35 million for 2013, EUR 15 million for 2014 and another EUR 15 million for 2015.

Table 4
Summary of information on provision of financial support in 2011–2012

Allocation channel of public financial support	*Unit*	*Years of disbursement*	
		2011	*2012*
Official development assistance	USD million	4 070	2 740
Climate-specific contributions through multilateral channels, including:	USD million	547.80	403.27
Contribution to the Global Environment Facility	EUR million	6.08	1.61
Contributions through United Nations bodies	USD million	28.99	18.54
Fast-start finance		120.43	166.41
Climate-related contributions through bilateral and regional channels	EUR million	36.85	39.14

2. Approach used to track support provided

43. The BR1 does not include information required by the UNFCCC reporting guidelines on BRs on its national approach for tracking the provision of financial, technological and capacity-building support to non-Annex I Parties, indicators and allocation channels tracked, and the underlying assumptions and methodologies used to produce information on finance. The ERT recommends that Italy provide this information in its next BR.

3. Technology development and transfer

44. Italy has reported 11 technology transfer initiatives in CTF table 8 of its BR1. Most of these initiatives are targeted at mitigation one at adaptation, while two initiatives have both adaptation and mitigation targets. The technology transfer priorities for mitigation are the application of solar energy, especially for SIDS, and investigation into carbon dioxide capture and storage in China. Italy has reported four success stories for technology transfer in its NC6 and no failure stories. In its BR1, Italy has provided information on activities related to the transfer of technology to developing countries, including information on the public and private sectors.

45. Italy did not provide information on support for the development and enhancement of endogenous capacities and technologies of non-Annex I Parties, as is required by the UNFCCC reporting guidelines on BRs. It has also not clearly distinguished between activities undertaken by the public sector and those undertaken by the private sector, nor has it provided information on institutional, legal and procedural arrangements in place for assessing technology transfer and for reporting and archiving this information. The ERT recommends that Italy provide all of this information in its next BR.

4. Capacity-building

46. In its BR1 and CTF table 9, Italy has provided detailed information on how it has provided capacity-building support for mitigation, adaptation and technology. It reported on how it provided capacity-building support that responds to the existing and emerging capacity-building needs identified by non-Annex I Parties in the areas of mitigation, adaptation, and technology development and transfer. In general, the technology transfer support and capacity-building support provided by Italy are synchronized. The ERT commends Italy for such capacity-building initiatives.

47. The regions and countries provided with such capacity-building support include the Caribbean (Barbados and Grenada), South-East Europe, the Southern Mediterranean (Albania, Algeria, Bosnia and Herzegovina, Croatia, Egypt, Israel, Jordan, Lebanon, Montenegro, Morocco, the State of Palestine, Tunisia and Turkey), China, Libya, Nepal, Pakistan, Serbia, the Syrian Arab Republic, the former Yugoslav Republic of Macedonia and Uganda.

III. Conclusions

48. The ERT conducted a technical review of the information reported in the BR1 and CTF tables of Italy 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, a description of the target, progress made by Italy to achieve its target, and provision of support to developing country Parties. During the review, Italy provided additional information on progress made towards its target and the provision of support to developing countries.

49. Italy's emissions and removals related to the targets for 2012 were estimated to be 14.3 per cent below its 1990 level excluding LULUCF and 11.4 per cent above including LULUCF. Emission reductions were driven by the economic recession, policies adopted at the EU and national level for promoting renewable energy sources, and energy efficiency measures, especially observed as a consequence of the EU ETS.

50. Italy participates in the EU quantified economy-wide target to achieve a 20 per cent reduction of emissions by 2020 compared with the 1990 base year level and does not have a national quantified economy-wide emission reduction target yet. Emissions from sectors that fall under the EU ETS have a target of a 21 per cent reduction by 2020 compared with 2005. For the sectors not covered under the EU ETS, which excludes LULUCF, the EU-wide target of a 20 per cent emission reduction in 2020 compared with the base year has been translated to a 13.0 per cent reduction target for Italy (compared with 2005). Italy presented GHG emissions projections for 2020 and 2030. Two scenarios are included: 'with measures' and 'with additional measures'. The projected reductions in GHG emissions in relation to the base year under the 'with measures' and 'with additional measures' scenarios are 0.6 per cent and 12.3 per cent in 2020, respectively. The projections of the 'with measures' scenario suggest that Italy could almost meet its 2020

target under the ESD with existing measures (which is a 13.0 per cent reduction for non-emissions trading system sector emissions) and overachieve it by introducing additional measures. On this basis, the ERT expects Italy to reach its ESD target.

51. In its BR1, Italy has provided detailed information on the financial, technological and capacity-building support provided to non-Annex I Parties. During the review, Italy clarified how financial resources it provided are 'new and additional', specifying that they are directed to cross-cutting climate change related actions or to mitigation or adaptation actions. More than one third of Italy's recent bilateral support is provided to the Sino-Italian Climate Change Cooperation Program for the improvements in the energy sector, capacity-building and technology transfer. Capacity-building support also goes to Caribbean, South-East European and Southern Mediterranean countries.

52. In the course of the review, the ERT formulated several recommendations relating to the completeness and transparency of Italy's reporting under the Convention. The key recommendations[5] are that Italy:

53. Improve the completeness of reporting by including in the next BR the following information:

(a) A clear definition of 'new and additional' financial resources;

(i) A description of its national approach for tracking the provision of financial, technological and capacity-building support to non-Annex I Parties, including information on indicators and delivery mechanisms used and allocation channels tracked;

(ii) Information on the underlying assumptions and methodologies used to produce information on finance;

(iii) Information on committed and/or pledged financial support it has provided;

(b) Improve the transparency of reporting by including in the next BR the following information:

(i) Distinguishing technology transfer activities undertaken by the public sector and those undertaken by the private sector;

(ii) Details on measures taken to promote, facilitate and finance the transfer of technology and to support the development and enhancement of endogenous capacities and technologies of non-Annex I Parties.

[5] The recommendations are given in full in the relevant sections of this report.

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>.

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2013 GHG inventory submission of Italy. Available at <http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/7383.php>.

2014 GHG inventory submission of Italy. Available at <http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/8108.php>.

B. Additional information provided by the Party

Responses to questions during the review were received from Mr. Roberto Binatti (Ministry for the Environment, Land and Sea) as well as Mr. Riccardo de Lauretis (Institute for Environmental Protection and Research) including additional material on updated policies and measures, greenhouse gas projections, provision of support and the recent climate policy developments in Italy. The following documents[1] were also provided by Italy:

[1] Reproduced as received from the Party.

Repubblica Italiana. 2013. *Comitato Interministeriale per la Programmazione Economicae.* Gazzetta Ufficiale della Repubblica Italiana, 19 June 2013. Rome: Repubblica Italiana. Available at <http://www.serviziparlamentari.com/index.php?option=com_mtree&task=att_download&link_id=928&cf_id=54>.

Ministry of Economy. 2014. *Documento di Economia e Finanza* (Economic and Financial Document. Available at http://www.tesoro.it/doc-finanza-pubblica/def/2014.