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**SUBSIDIARY BODY FOR IMPLEMENTATION**

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Item 9 of the provisional agenda

Reporting and review of information submitted by Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol

**Status of submission and review of the initial reports submitted  
in accordance with decision 13/CMP.1**

**Note by the secretariat**

*Summary*

This document describes the status of submission of the initial reports under the Kyoto Protocol pursuant to decision 13/CMP.1 and of the reviews of these reports undertaken during 2007. It provides information on the application of the review procedures and the procedures for the training and participation of experts in the review process. It also provides information on the actions taken to implement the conclusions by the Subsidiary Body for Implementation at its twenty-seventh session.

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## I. Introduction

### A. Mandate

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), by its decision 13/CMP.1, decided that Parties included in Annex I to the Convention that are also Parties to the Kyoto Protocol (hereinafter referred to as Annex I Parties) shall facilitate the calculation of their assigned amounts pursuant to Article 3, paragraphs 7 and 8, of the Kyoto Protocol and demonstrate their capacity to account for their emissions and assigned amounts. To this end, each Annex I Party shall submit to the secretariat a report (hereinafter referred to as the initial report) containing this information, prior to 1 January 2007 or one year after the entry into force of the Kyoto Protocol for that Party, whichever is later.

2. In accordance with Article 8 review guidelines,<sup>1</sup> each Annex I Party shall be subject to review prior to the first commitment period or within one year after the entry into force of the Kyoto Protocol for that Party, whichever is later.

3. The CMP, by its decision 26/CMP.1, requested the secretariat to organize the initial reviews under Article 8 of the Kyoto Protocol, in conjunction with the review of the greenhouse gas (GHG) inventories submitted in 2006, while exercising a certain degree of flexibility in applying the agreed timelines, provided that each initial review is completed no later than one year from the date of the submission of the initial report and that Parties are accorded the time to comment on the draft review report as inscribed in the Article 8 review guidelines.

### B. Background

4. The Subsidiary Body for Implementation (SBI), at its twenty-seventh session, took note of document FCCC/SBI/2007/INF.10 prepared by the secretariat, containing information on the status of the reviews of initial reports, the publication of the review reports and the forwarding of them to the CMP and the Compliance Committee as of November 2007.

5. In its conclusions at its twenty-seventh session<sup>2</sup> the SBI noted the importance of the training programme under the Kyoto Protocol and requested the secretariat to update and complement it, in particular in relation to the review of activities under Article 3, paragraphs 3 and 4, the review of national registries and the review of information on assigned amounts, in particular the standard electronic format (SEF) tables. The SBI also noted the need for consistent implementation of the technical guidance on adjustments in the reviews of inventory submissions under the Kyoto Protocol and requested the lead reviewers to consider this issue at their next meeting. The SBI further noted that, in accordance with the conclusions of the CMP at its second session,<sup>3</sup> there is a need for flexibility in the timing of review activities for the 2007 inventory submissions and that the review of the 2007 inventory submissions should be conducted in conjunction with the review of the 2008 inventory submissions, with a focus on the most recent submissions. The SBI reiterated the need for continued analysis of the effectiveness of the review process under Article 8 in implementing decisions 12/CP.9 and 22/CMP.1.

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<sup>1</sup> "Guidelines for review under Article 8 of the Kyoto Protocol".

<sup>2</sup> FCCC/SBI/2007/34, paragraphs 98–105.

<sup>3</sup> FCCC/KP/CMP/2006/10, paragraph 102.

### C. Scope of the note

6. This document provides information on the status of submission of initial reports by Annex I Parties, the reviews thereof and submission of the review reports to the CMP and the Compliance Committee. It also provides information on the actions taken to implement the conclusions by the SBI at its twenty-seventh session.

7. The review under the Kyoto Protocol builds upon the review under the Convention. The majority of lessons learned and problems encountered in the review process in 2007 for the Convention and the Kyoto Protocol reviews share many common elements. This document focuses on the specific Kyoto Protocol elements of the review process and should be read in conjunction with the “Annual report on the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention” in accordance with decision 12/CP.9 (FCCC/SBSTA/2007/INF.4).

### D. Possible action by the Subsidiary Body for Implementation

8. The SBI may wish to consider the information in this document, including the actions taken to implement conclusions by the SBI at its twenty-seventh session and, if necessary, provide guidance to the Parties and the secretariat.

## II. Submission and review of initial reports

### A. Status of submission and review of initial reports

9. The table below provides information on the submission and review of initial reports and the status of the preparation of the review reports, and shows the dates when Parties became eligible to participate in the Kyoto Protocol mechanisms.

**Table. Submission of initial reports, review dates and status of review reports**

Party	Initial report received	Language of initial report	Review dates	Status of review report	Document symbol	Eligible for mechanisms <sup>a</sup>
Australia	11 Mar. 2008	English	7–12 Apr. 2008	In preparation		
Austria	5 Dec. 2006	English	12–17 Feb. 2007	Published	FCCC/IRR/2007/AUT	5 Apr. 2008
Belarus <sup>b</sup>	31 Oct. 2006	English and Russian				
Belgium	22 Dec. 2006	English	4–9 June 2007	Published	FCCC/IRR/2007/BEL	22 Apr. 2008
Bulgaria	25 July 2007	English	15–20 Oct. 2007	Published	FCCC/IRR/2007/BGR	– <sup>c</sup>
Canada	15 Mar. 2007	English and French	5–10 Nov. 2007	Published	FCCC/IRR/2007/CAN	– <sup>d</sup>
Croatia <sup>e</sup>						
Czech Republic	24 Oct. 2006	English	26 Feb.–3 Mar. 2007	Published	FCCC/IRR/2007/CZE	24 Feb. 2008
Denmark	20 Dec. 2006	English	16–21 Apr. 2007	Published	FCCC/IRR/2007/DNK	20 Apr. 2008
Estonia	15 Dec. 2006	English	4–9 June 2007	Published	FCCC/IRR/2007/EST	15 Apr. 2008
European Community	18 Dec. 2006	English, summary in English and French	2–7 July 2007	Published	FCCC/IRR/2007/EC	18 Apr. 2008
Finland	22 Dec. 2006	English	28 May–2 June 2007	Published	FCCC/IRR/2007/FIN	22 Apr. 2008
France	21 Dec. 2006	French	28 May–2 June 2007	Published	FCCC/IRR/2007/FRA	21 Apr. 2008
Germany	27 Dec. 2006	English	11–16 June 2007	Published	FCCC/IRR/2007/DEU	27 Apr. 2008
Greece	29 Dec. 2006	English	23–28 Apr. 2007	Published	FCCC/IRR/2007/GRC	– <sup>f</sup>
Hungary	30 Aug. 2006	English	5–10 Mar. 2007	Published	FCCC/IRR/2007/HUN	30 Dec. 2007
Iceland	11 Jan. 2007	English	18–23 June 2007	Published	FCCC/IRR/2007/ISL	11 May 2008
Ireland	19 Dec. 2006	English	16–21 Apr. 2007	Published	FCCC/IRR/2007/IRL	19 Apr. 2008
Italy	19 Dec. 2006	English	4–9 June 2007	Published	FCCC/IRR/2007/ITA	19 Apr. 2008
Japan	30 Aug. 2006	English	29 Jan.–3 Feb. 2007	Published	FCCC/IRR/2007/JPN	30 Dec. 2007
Latvia	29 Dec. 2006	English	21–26 May 2007	Published	FCCC/IRR/2007/LVA	29 Apr. 2008
Liechtenstein	22 Dec. 2006	English	11–16 June 2007	Published	FCCC/IRR/2007/LIE	22 Apr. 2008
Lithuania	22 Dec. 2006	English	21–26 May 2007	Published	FCCC/IRR/2007/LTU	22 Apr. 2008

**Table (continued)**

Party	Initial report received	Language of initial report	Review dates	Status of review report	Document symbol	Eligible for mechanisms <sup>a</sup>
Luxembourg	29 Dec. 2006	English	11–16 June 2007	Published	FCCC/IRR/2007/LUX	29 Apr. 2008
Monaco	7 May 2007	French	15–19 Oct. 2007	Published	FCCC/IRR/2007/MCO	– <sup>g</sup>
Netherlands	21 Dec. 2006	English	16–21 Apr. 2007	Published	FCCC/IRR/2007/NLD	21 Apr. 2008
New Zealand	31 Aug. 2006	English	19–24 Feb. 2007	Published	FCCC/IRR/2007/NZL	31 Dec. 2007
Norway	22 Dec. 2006	English	23–28 Apr. 2007	Published	FCCC/IRR/2007/NOR	22 Apr. 2008
Poland	29 Dec. 2006	English	11–16 June 2007	Published	FCCC/IRR/2007/POL	29 Apr. 2008
Portugal	28 Dec. 2006	English	21–26 May 2007	Published	FCCC/IRR/2007/PRT	28 Apr. 2008
Romania	18 May 2007	English	8–13 Oct. 2007	In preparation		
Russian Federation	20 Feb. 2007	Russian	16–21 July 2007	Published	FCCC/IRR/2007/RUS	– <sup>h</sup>
Slovakia	04 Oct. 2006	English	19–24 Mar. 2007	Published	FCCC/IRR/2007/SVK	4 Feb. 2008
Slovenia	22 Dec. 2006	English	21–26 May 2007	Published	FCCC/IRR/2007/SVN	22 Apr. 2008
Spain	19 Dec. 2006	Spanish	23–28 Apr. 2007	Published	FCCC/IRR/2007/ESP	19 Apr. 2008
Sweden	19 Dec. 2006	English	23–28 Apr. 2007	Published	FCCC/IRR/2007/SWE	19 Apr. 2008
Switzerland	10 Nov. 2006	English	5–10 Mar. 2007	Published	FCCC/IRR/2007/CHE	10 Mar. 2008
Ukraine	29 Dec. 2006	English	16–21 Apr. 2007	Published	FCCC/IRR/2007/UKR	29 Apr. 2008
United Kingdom of Great Britain and Northern Ireland	11 Dec. 2006	English	12–17 Mar. 2007	Published	FCCC/IRR/2007/GBR	11 Apr. 2008

<sup>a</sup> Initial eligibility is based on decision 3/CMP.1, annex, paragraph 32; decision 9/CMP.1, annex, paragraph 22; and decision 11/CMP.1, annex, paragraph 3. Parties become eligible to participate in the Kyoto Protocol mechanisms 16 months after the submission of their initial report, subject to successful completion of the review and compliance cycle.

<sup>b</sup> At the time of the preparation of this document, the initial report submitted by Belarus had not been reviewed. The quantified emission reduction commitment for Belarus in Annex B (92 per cent) was established through an amendment to Annex B to the Kyoto Protocol (decision 10/CMP.2). As at 1 April 2008, this amendment had not yet been ratified by enough Parties to allow it to enter into force and the review of the initial report has been postponed. Belarus submitted an update of its initial report on 30 December 2006.

<sup>c</sup> At the time of publication of this note, 16 months had not elapsed since Bulgaria submitted its initial report. This Party will become eligible to participate in the Kyoto Protocol mechanisms on 25 November 2008.

<sup>d</sup> The review report of Canada contains a question of implementation and for this reason eligibility of Canada to participate in the Kyoto Protocol mechanisms will be considered by the Compliance Committee at its next meeting.

<sup>e</sup> Croatia ratified the Kyoto Protocol on 30 May 2007. The Protocol entered into force for Croatia on 28 August 2007 and as at 1 April 2008 the initial report by Croatia had not been submitted.

<sup>f</sup> Greece is not considered by the Compliance Committee to meet the eligibility requirements under Articles 6, 12 and 17 but may issue and transfer emission reduction units for joint implementation projects implemented under the verification procedure under the Joint Implementation Supervisory Committee for which it is the host Party.

<sup>g</sup> At the time of publication of this note, 16 months had not elapsed since Monaco submitted its initial report. This Party will become eligible to participate in the Kyoto Protocol mechanisms on 7 September 2008.

<sup>h</sup> At the time of publication of this note, 16 months had not elapsed since the Russian Federation submitted its initial report. This Party will become eligible to participate in the Kyoto Protocol mechanisms on 20 June 2008.

## B. Review activities

10. In response to decisions 22/CMP.1 and 26/CMP.1, the secretariat organized the reviews of the initial reports during 2007. As at 1 May 2008, individual reviews had been conducted or were planned for 39 Annex I Parties, as follows:

- (a) **Completed reviews:** Australia, Austria, Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, European Community, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine and United Kingdom of Great Britain and Northern Ireland;
- (b) **Review planned for 2008:** Croatia;
- (c) **Review of the initial report of Belarus:** this will be scheduled closer to the date when the relevant amendment to the Kyoto Protocol has been ratified by enough Parties to allow it to enter into force.

11. The key issues identified in this section stem from the reviews of the initial reports undertaken during 2007; document FCCC/SBI/2007/INF.10 did not cover all stages of the initial report review process because most of the review reports were in preparation at the time of its publication.

12. The review of the initial reports under the Kyoto Protocol is more complex than the review of the annual GHG inventories under the Convention, because additional elements shall be reviewed, as described in document FCCC/SBI/2007/INF.10. This puts more pressure on the expert review teams (ERTs) as the amount of information to review and the expertise needed are greater than in the reviews under the Convention. In addition, ERTs reviewed these additional elements for the first time during 2007.

13. There is another important difference between the review of the initial reports under the Kyoto Protocol and the review under the Convention relating to the GHG inventory as described in document FCCC/SBI/2007/INF.10. Under both the Convention and the Kyoto Protocol, the ERT identifies problems with the inventory, and areas where improvements should be made. However, for reviews under the Kyoto Protocol, there is another procedure for dealing with potential problems relating to adjustments identified by the ERT during the review. In accordance with the procedures and time frame set out in the Article 8 review guidelines, if the ERT identifies potential problems as a failure to follow agreed guidelines under Article 5, paragraph 2, of the Kyoto Protocol in preparing GHG inventories – that is, an emission estimate that is not in line with the requirements in the UNFCCC review guidelines,<sup>4</sup> the Article 7 reporting guidelines<sup>5</sup> and the Revised 1996 IPCC Guidelines<sup>6</sup> as elaborated by the IPCC good practice guidance<sup>7</sup> as well as the IPCC good practice guidance for LULUCF<sup>8</sup> – the ERT will notify the Party of the problems. The Party then has six weeks to respond to the notification. If the ERT considers that the response of the Party to the notification of the potential problems is not in line with the reporting requirements and the Revised 1996 IPCC Guidelines and the IPCC good practice guidance, the ERT will proceed with calculating and recommending an adjustment in accordance with Article 5, paragraph 2, of the Kyoto Protocol (decision 20/CMP.1).

14. As indicated in document FCCC/SBI/2007/INF.10, in a few cases, the number and complex nature of the identified potential problems made the provision of revised estimates and/or additional information an intensive and time-consuming activity for the Party and caused problems in meeting the strict deadlines established both for the Party to provide the required information and for the ERT to assess it and prepare the review report.

15. In a few cases, the ERT proceeded with recommending and calculating adjustments. The experience from the initial reviews suggests that the calculation of adjustments is a time-consuming activity for Parties and the ERTs and can cause problems in meeting the strict deadlines established by the Article 8 review guidelines, including difficulties in complying with the requirement to complete the review within one year of the submission of the initial report.

16. As indicated in document FCCC/SBI/2007/INF.10, another important difference between the review under the Convention and the review under the Kyoto Protocol is that under the Kyoto Protocol, meeting the established deadlines is crucial as the review process is linked to Parties becoming eligible to participate in mechanisms. Under the Convention there are no commitment implications for Parties if deadlines are not met.

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<sup>4</sup> “UNFCCC guidelines for the technical review of greenhouse gas inventories from Parties included in Annex I to the Convention”.

<sup>5</sup> “Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol”.

<sup>6</sup> *Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories*.

<sup>7</sup> *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories*.

<sup>8</sup> *Good Practice Guidance for Land Use, Land-Use Change and Forestry*.

17. Some of the 37 review reports of reviews conducted in-country up to May 2008 were, or will be, published after the deadlines established by the Article 8 review guidelines. Yet, with one exception, they were, or are expected to be, published within the deadline of one year from the date of submission of the initial report established by decision 26/CMP.1. Reasons for delays in publishing the reports are described in document FCCC/SBI/2007/INF.10.

18. In accordance with the Article 8 review guidelines, all completed final review reports shall be published and forwarded by the secretariat, together with any written comments on the final report by the Party which is the subject of the report, to the CMP, the Compliance Committee and the Party concerned. With two exceptions, the reports published so far do not contain questions of implementation as the Parties have been able to resolve potential problems. The Compliance Committee took note of the forwarded reports during its meeting in September 2007<sup>9</sup> and will take note of the remaining reports that were or are yet to be published since September 2007. The Enforcement Branch of the Compliance Committee considered the question of implementation in one of the reports during its meetings in March 2008<sup>10</sup> and April 2008.<sup>11</sup>

19. As of 15 May 2008, 30 Parties became eligible to participate in mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol as 16 months had elapsed since submission of their initial reports.

### **C. Expert review teams and training of experts**

20. Decision 24/CMP.1 requested the secretariat to develop training courses on national systems for estimation of GHG emissions of Annex I Parties, on adjustments under Article 5, paragraph 2, of the Kyoto Protocol, and on modalities for accounting for assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol. These courses were developed and offered to experts online in 2006. The majority of candidate experts completed the training courses and passed the examination in 2006. Nine experts passed one or more exams during 2007.

21. In 2007 the secretariat invited 24 new experts, who had completed the training and passed the examination, to participate as members of ERTs. The number of experts available for review activities is growing but may not be sufficient to effectively conduct the reviews in accordance with the Article 8 review guidelines; many experts, in particular experts from Parties not included in Annex I to the Convention (non-Annex I Parties), had to participate in more than one review during 2007.

22. The experience from the initial reviews suggests that there is a need to further strengthen the capacity of experts to deal with Kyoto Protocol issues through training courses. For the further reviews under the Article 8 review guidelines, the course on the modalities for accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol needs to be further developed, especially the national registry part of the course, including the review of the standard electronic format (SEF). This work is urgently needed given that Parties are required to start reporting using the SEF tables the year after their first transaction of Kyoto Protocol units. For many Parties this reporting will start in 2009.

23. Parties are required to start reporting information on activities under Article 3, paragraphs 3 and 4, of the Kyoto Protocol in 2010. Inventory data contained in this information could be subject to adjustments if not reported in line with the IPCC good practice guidance for LULUCF. For experts to be ready to review this information, including any possible adjustments, a training course will need to be developed and made available to experts no later than the end of 2008.

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<sup>9</sup> Document CC/EB/2/2007/3 <[http://unfccc.int/files/kyoto\\_protocol/compliance/enforcement\\_branch/application/pdf/cc-eb-2-2006-3\\_report\\_on\\_the\\_meeting-rev1.pdf](http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-2-2006-3_report_on_the_meeting-rev1.pdf)>.

<sup>10</sup> Document CC/EB/3/2008/2 <[http://unfccc.int/files/kyoto\\_protocol/compliance/enforcement\\_branch/application/pdf/cc-eb-3-2008-2\\_report\\_on\\_the\\_3rd\\_meeting\\_of\\_the\\_eb.pdf](http://unfccc.int/files/kyoto_protocol/compliance/enforcement_branch/application/pdf/cc-eb-3-2008-2_report_on_the_3rd_meeting_of_the_eb.pdf)>.

<sup>11</sup> Document CC/EB/4/2008/2, to be published.

### **III. Implementation of options to strengthen the review process**

24. Several activities have been undertaken in implementing the options to strengthen the review process in accordance with the conclusions by the SBI at its twenty-seventh session as summarized below.

25. Participation in the reviews is a time-intensive process. Some experts invited to participate in the reviews declined citing the workload of their regular jobs. Parties are further encouraged to ensure that experts invited to participate in the review process receive sufficient support and time from their national governments, recognizing that the experts they nominate perform duties essential for the functioning of the international process established by the CMP. This is particularly important when considering that experts from some Parties participated in more than one review whereas experts from other Parties were not available to participate in a single one.

26. Training is recognized as a prerequisite for ensuring that the reviews are conducted in a rigorous and consistent way and for providing Parties with confidence in their results. The SBI at its twenty-seventh session requested the secretariat to develop new training courses under the Kyoto Protocol covering activities under Article 3, paragraphs 3 and 4, and to further develop the course on the modalities for accounting of assigned amounts, in particular in relation to the national registry, including the SEF. However, it should be noted that since the twenty-seventh session of the SBI no major developments on such training have been possible, because of the lack of supplementary resources for training activities. Parties are further encouraged to provide the necessary funding.

27. In accordance with the conclusions by the SBI at its twenty-seventh session, the secretariat is scheduling for September and October 2008 the reviews of the 2007 GHG inventory submissions in conjunction with reviews of the 2008 GHG inventory submissions, including the supplementary information submitted on a voluntary basis in accordance with Article 7, paragraph 1, of the Kyoto Protocol. For this purpose the secretariat has already completed developing the review tools for the 2007 GHG inventory submissions and started the preparation of the review tools for the 2008 GHG inventory submission on 15 April 2008, when these submissions became available.

28. The SBI at its twenty-seventh session requested the lead reviewers to consider the need for consistent implementation of the technical guidance on adjustments in the reviews of inventory submissions under the Kyoto Protocol at their next meeting. In order to comply with this request and to consider other important issues, such as preparation for the next review activities, the secretariat held the fifth lead reviewers meeting in the third week of April 2008. The secretariat prepared an overview and analysis of adjustment cases during the 2007 initial report reviews to facilitate the discussion by the lead reviewers on this matter.

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