



Revised Draft - Guidance on adjustments under the amended Gothenburg Protocol to emission reduction commitments or to inventories

**Informal document prepared by an ad-hoc working group of the
Task Force on Emission Inventories and Projections (TFEIP)**

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1 Introduction

Recent developments in emission trends of air pollutants have highlighted the possible need for emission ceilings and/or the assessment of compliance to incorporate a degree of flexibility to account for issues which may not be reasonably predicted at the time obligations are defined.

The thirtieth session (May 2012) of the Executive Body to the UNECE Convention on Long-Range Transport Air Pollution adopted a number of amendments to the 1999 Gothenburg Protocol to Abate Acidification, Eutrophication and Ground-level Ozone (*the Gothenburg Protocol*) (ECE/EB.AIR/2012/L.2 and ECE/EB.AIR/2012/L.1). Two of these adopted amendments allow a Party to propose an adjustment of its emission inventories or emission reduction commitments listed in Annex II of the amended Gothenburg Protocol.

In particular Article 3 paragraph 11. quinquies of the amended protocol is applicable to inventory adjustments, and states:

"For the purposes of comparing national emission totals with emission reduction commitments as set out in paragraph 1, a Party may use a procedure specified in a decision of the Executive Body. Such a procedure shall include provisions on the submission of supporting documentation and on review of the use of the procedure."

Article 13 new paragraph 2 of the amended protocol adjustment of emission reduction commitments:

"Any Party may propose an adjustment of its emission reduction commitments already listed in Annex II. Such a proposal must include supporting documentation, and shall be reviewed, as specified in a decision of the Executive Body. This review shall take place prior to the proposal being discussed by the Parties in accordance with paragraph 4."

The Parties further decided to apply this provision before the entry force of the other amendments to the protocol through the accompanying Decision 2012/3 '*Adjustments under the Gothenburg Protocol to emission reduction commitments or to inventories for the purposes of comparing total national emissions with them*' (see Annex I) which also provides the details for criteria and modalities under which the use of adjustments is foreseen:

- (a) emission source categories are identified that were not accounted for at the time when emission reduction commitments were set;
- (b) emission factors used to determine emissions levels for particular source categories for the year in which emissions reduction commitments are to be attained are significantly different than the emission factors applied to these categories when emission reduction commitments were set; or
- (c) the methodologies used for determining emissions from specific source categories have undergone significant changes between the time when emission reduction commitments were set and the year they are to be attained;

In deciding upon the potential use of adjustment procedures, the Executive Body decision makes reference to both the uncertainties inherent in estimating and projecting emission levels and the need for continuous scientific and methodological improvements under the Convention, recognising that improved emission inventory methodologies should not put Parties at a disadvantage in terms of meeting their emission reduction commitments. The need for a transparent process around the application of adjustment procedures is also recognised.

Finally, in Decision 2012/3, the Executive Body requested the EMEP Steering Body to develop provisional guidance, for consideration by the Executive Body at its thirty-first session, relating to the application of the adjustment procedures elaborated in paragraphs 2 and 3 of that Decision. Additional guidance should also be subsequently developed for consideration by the Executive Body at its thirty-second session.

This document presents draft technical guidance to support the implementation by Parties of adjustment procedures under the Gothenburg Protocol, for consideration by the EMEP Steering Body at its 36th meeting in September 2012.

The following topics are addressed in the subsequent sections of this document:

- Situations that could allow for the application of adjustment procedures including potential thresholds and triggers;
- The possible need for timelines after which certain adjustments would cease to be valid;
- Required supporting information, technical analyses and documentation to accompany and justify a requested adjustment;
- Guidelines for accounting for adjustments to annually-reported emission inventories in the reporting templates and the Informative Inventory Report, including instructions on required supporting information, technical analyses and documentation, to accompany and justify a requested adjustment procedure;
- Indicative examples of situations consistent with the three circumstances (a, b, and c listed above) under which the use of adjustment procedure is foreseen.

This draft guidance paper was written and commented upon by an ad-hoc group established by the Task Force on Emission Inventories and Projections (TFEIP) at its May 2012 meeting. Representatives from the following Parties nominated themselves to participate in the work of the ad-hoc working group – Albania, Austria, Belgium, Croatia, Denmark, Estonia, European Union, Finland, France, FYR of Macedonia, Germany, Greece, Ireland, Italy, Lithuania, Luxembourg, Norway, Portugal, Slovakia, Spain, Sweden, Switzerland, the Netherlands, Turkey, United Kingdom and the United States.

2 What is an adjustment?

The term “adjustment” is used frequently throughout this report, and it is therefore important to clarify the definition, and related details.

A Party applying for an adjustment is required to submit a revised methodology, and quantify the impact of using this revised methodology. This revised methodology may simply include amended input data, or it may be a substantially different way of calculating emissions. However, it is the *methodology* as a whole (which may include defining specific input data, or sources of data) that is reviewed for acceptance as an adjustment, and not simply the data used in the calculation.

As a result, an adjustment can be considered as an approach, and not simply a number. This ensures that an accepted adjustment can be used in subsequent years to estimate the *updated* impact of the adjustment without requiring repeated applications for acceptance. The fact that the magnitude of an accepted adjustment (to an emissions inventory or emissions reduction targets) could vary year to year is an important concept.

Furthermore, if an adjustment is accepted, it may be considered appropriate to publish generic guidance to streamline similar applications from other Parties and ensure consistency in approach across Parties.

3 Draft technical guidance to support the implementation by Parties of adjustment procedures under the Gothenburg Protocol

In the following sections, specific proposals for technical guidance to Parties are indicated in *italic* text. Commentary is provided in plain text.

3.1 Situations that could allow for the application of adjustment procedures including potential thresholds and triggers

Decision 2012/3 states the conditions under which an adjustment procedure may be applied i.e. adjustments to emission reduction commitments, or to inventories for the purposes of comparing total national emissions with them, may be applied only when one (or more) of the specific circumstances referred to in paragraph 6 of 2012/3 occur, namely:

- (a) emission source categories are identified that were not accounted for at the time when emission reduction commitments were set;*
- (b) emission factors used to determine emissions levels for particular source categories for the year in which emissions reduction commitments are to be attained are significantly different than the emission factors applied to these categories when emission reduction commitments were set; or*
- (c) the methodologies used for determining emissions from specific source categories have undergone significant changes between the time when emission reduction commitments were set and the year they are to be attained.*

Commentary on the Decision: The Decision requires EMEP to develop provisional guidance which may set additional requirements for its proper application. This may include additional conditions on when an adjustment is warranted.

Adjustment procedures may only be used where Parties:

i. clearly and transparently demonstrate that their situation is consistent with one (or more) of the three circumstances listed above,

and

ii. have missed, or anticipate missing, their emission reduction commitments.

Parties may submit application(s) for an adjustment procedure in advance of any compliance year or period, when it is clear from their projected emissions that they do not anticipate meeting their reduction commitments.

With respect to emission source categories not accounted for when emission reduction commitments were set, Parties may submit a proposal for adjustment procedure if an emission source category was not included in the national emission inventory or national projections at the time the emission reduction commitments were set.

It is recommended that assessments of 'significant' should be made on a case-by-case basis by the EMEP Steering Body supported by technical bodies of the Convention as appropriate. In some

circumstances it may be necessary to refer to the Implementation Committee. Assessments shall be informed by the information put forward by the Party proposing an adjustment procedure.

Commentary on defining “significant”: With respect to determining what may constitute a significant difference in emission factors or methodologies between the time reduction commitments are to be attained and the time the reduction commitments were set, previous analysis performed within EMEP ⁽¹⁾ has highlighted the many difficulties in defining potential technical thresholds. These difficulties include:

- Defining a threshold based on a percentage of the national total emissions introduces inequity between large and small countries, as a small percentage of the emissions total of a large country can in absolute terms be many times the size of emissions from a small country.
- A difference of even 1 kilotonne which leads to a Party exceeding its emission reduction commitments can arguably be judged “significant”.
- A number of individual changes each below a threshold value can, when aggregated, result in a change higher than the threshold.
- The intrinsic uncertainties in emission factors and inventory methodologies differ both by pollutant and within each source category. For example a change which results in a doubling of emissions in a source category for which uncertainties are high may not be considered technically significant, whereas a much smaller percentage change in a better characterised source category would be considered significant.
- ‘Routine’ scientific improvements can lead to large annual recalculations being made over time and even year on year. For example, one large western-European Party reported NO_x emission estimates for 1990 that are 22 % larger than the 1990 emissions estimated in 1995.

Provision of a general technical definition of ‘significant’ is therefore not presently considered practicable. Rather, a political decision by the Parties of the Convention is required should any future definition of what constitutes a significant change be needed.

Commentary on defining “case-by-case”: Case by case is a phrase that refers to assessing each application individually. However, in practice the process is more likely to be “issue-by-issue”, because successful applications would typically result in guidance that could be used other Parties making applications associated with the same issue. This would help to minimise the risk that multiple solutions are developed for single issues, and streamlines the amount of work required.

Commentary on applications in advance of the compliance year: Informing the Party of an acceptance/rejection of an adjustment application as soon as is practicable provides the clarity and certainty required to inform national emissions reductions strategies. This does not mix science and policy issues. The acceptance of an adjustment application is merely an acknowledgement of the fact that the tool that is being used to demonstrate compliance (the emissions inventory) is not completely fit for purpose (science), and an adjustment is appropriate to rectify this. This is an entirely different issue to whether a Party has taken enough action to meet their emission reduction targets (policy) – which should always be the primary mechanism for meeting emission reduction targets. It is recognised that there is uncertainty associated with a Party demonstrating non-compliance for future years, and supporting information will therefore be needed to inform the assessment process.

Changes to emissions that occur as a result of incorporating routine scientific improvements into a national emission inventory should not be included within a proposal for an adjustment procedure.

Any Party submitting a request for an adjustment procedure on the basis of changes to emission factors or methodologies should transparently report the rationale for deciding whether such changes are significant. They shall document that the same rationale has been applied consistently across all source categories of the inventory.

Recognising the ‘extraordinary’ circumstances under which the use of the adjustment procedures are foreseen and further, in agreeing to the adjustment procedures the stated wish of the Executive Body to preserve the environmental integrity of the Gothenburg Protocol, differences in emission factors which arise from a failure of a Party to implement agreed or legally required emission mitigation measures shall not be deemed as sufficient justification to propose an adjustment procedure.

In contrast, a measure which has been implemented but which did not lead to the foreseen emission reduction on the basis of the scientific knowledge at the time, may be sufficient grounds to propose an adjustment procedure. The failure of measures beyond the control of the Party may similarly be considered as sufficient justification to propose an adjustment procedure.

3.2 Possible need for timelines after which certain adjustments would cease to be valid

The EMEP Steering Body and/or Implementation Committee may decide a limited time period of validity for an adjustment procedure. In such instances a limited period of time could be agreed during which an adjustment procedure might be applied for compliance purposes.

Commentary on timelines: In general there is not considered a need for adjustment procedures to national inventories to have a specific time period of validity defined. As with any source category, adjusted emissions would be calculated and “valid” for as long as the respective activity or source category exists. This is based on the premise that any adjustment that is granted (to the emission estimates or the emission reductions) is only applicable for as long as the Party continues to meet the criteria identified in Section 2.1. The impact of some adjustments might change from year to year, and would therefore require Parties to provide updated information as part of their routine annual reporting.

Adjustments applied to the emission reduction target would be treated in the same way – in that the on-going validity of the adjustment would be conditional on the Party demonstrating that they continue to meet the criteria set out when the adjustment was first granted.

3.3 Required supporting information, technical analyses and documentation to accompany and justify a requested adjustment

Parties shall submit proposals to adjust either their national emission inventories or their Annex II emission reduction commitments to the Convention secretariat, who shall forward the proposal to the EMEP Steering Body and Parties.

Parties shall indicate in their proposal if they request an adjustment procedure to their annual emission inventory or if the adjustment procedure is intended to amend one or more of their Annex II emission reduction commitments. Proposals to adjust an emission inventory or an emission reduction commitment shall include the same supporting information as follows.

Proposals at a minimum shall include:

- *an introductory summary of the background and main reasons why the Party wishes to apply the adjustment procedure;*
- *a demonstration that the Party has missed, or anticipates missing, its emission reduction commitment(s) for the pollutants to which the adjustment procedure is applicable;*
- *a clear and transparent demonstration that the proposed adjustment procedure is consistent with one (or more) of the three circumstances listed in paragraph 6 of Decision 2012/3 with supporting evidence provided as described in the following bullet points;*

where the proposed adjustment procedure concerns an identified emission source category that was not included in the Party’s national total emissions at the time the emission reduction commitments were set:

- *evidence that the new emission source is acknowledged as a relevant source of emissions e.g. in independent scientific literature;*
- *evidence that this source category was not included in the relevant historic national emission inventory;*
- *evidence that emissions from the new source category/categories contribute to a Party being unable to meet its reduction commitments as evidenced by emission estimates provided for the most recent inventory year, or a year to which an emission reduction commitment applies. The emission estimate provided for the new emission source category shall be supported by a detailed description of the methodology, data and emission factors used in its preparation.*

where the proposed adjustment procedure concerns a significantly different ‘new’ emission factor(s) used to determine emissions levels for particular source categories for the year in which emissions

reduction commitments are to be attained compared to the 'original' emission factors applied to these categories when emission reduction commitments were set:

- *a description of the 'original' emission factor(s) including a detailed description of the basis from which the emission factor was derived i.e. reference to past EMEP/EEA guidebook editions, copies of relevant supporting technical documents providing emission measurements etc.;*
- *evidence confirming the 'original' emission factor was originally used in the relevant historic national emission inventory, for example by reference to the Informative Inventory Report of the time, or by provision of calculation sheets reproducing the original reported emission estimate using the original emission factors;*
- *a description of the 'new' emission factor(s) including a detailed description of the basis from which the emission factor was derived i.e. reference to present EMEP/EEA guidebook editions, copies of relevant supporting technical documents providing emission measurements etc.,*
- *a comparison of emission estimates made using the 'original' and 'new' emission factors demonstrating that the change in emission factors contributes to a Party being unable to meet its reduction commitments as evidenced by emission estimates provided for the most recent inventory year, or a year to which an emission reduction commitment applies. The same methodology and activity data shall be used for the purposes of the comparison of emission factors.*
- *their rationale for deciding whether the change in emission factors is significant and that the same rationale has been applied consistently across all source categories of the inventory.*

where the proposed adjustment procedure concerns a significant change made to the methodologies used for determining emissions from specific source categories between the time when emission reduction commitments were set and the year they are to be attained:

- *a description of the 'original' methodology employed including a detailed description of the basis or reference from which it was derived i.e. reference to past EMEP/EEA guidebook editions, copies of relevant supporting technical documents providing descriptions of the method development etc.;*
- *evidence confirming the 'original' methodology was used in the relevant historic national emission inventory for example by reference to the Informative Inventory Report of the time, or by provision of calculation sheets reproducing the original reported emission estimate using the original methodology;*
- *a description of the 'new' methodology employed including a detailed description of the basis or reference from which it was derived i.e. reference to present EMEP/EEA guidebook editions, copies of relevant supporting technical documents providing descriptions of the method development etc.;*
- *a comparison of emission estimates made using the 'original' and 'new' methodologies demonstrating that the change in methodology contributes to a Party being unable to meet its reduction commitments as evidenced by emission estimates provided for the most recent inventory year, or a year to which an emission reduction commitment applies. s. The same emission factors and activity data shall be used for the purposes of the comparison of methodologies;*
- *their rationale for deciding whether the change in methodology is significant and that the same rationale has been applied consistently across all source categories of the inventory.*

Proposals that do not include the required supporting information will not be evaluated.

Applications addressing the same technical issue may be submitted by groups of Parties. In this instance, applications shall contain, for each Party, the required country-specific information described above.

3.4 Guidelines for accounting for adjustments to annually-reported emission inventories in the reporting templates and the Informative Inventory Report, including instructions on required supporting information, technical analyses and documentation, to accompany and justify a requested adjustment;

Parties shall continue to report emission inventories in accordance with the Gothenburg protocol requirements, the requirements of other relevant protocols under the Convention, the EMEP Reporting Guidelines (as will be amended) and the methodologies of the latest EMEP/EEA Emission Inventory Guidebook.

The Convention has recognised the need for continuous scientific and methodological improvements to emission inventory data. High quality emission estimates that estimate as closely as possible the 'real-world' emissions are needed for the scientific work performed under the Convention and EMEP. Parties shall continue to report an emission inventory based on the best science and data quality criteria as defined in the Reporting Guidelines and EMEP/EEA Guidebook. Reporting of adjusted inventory data shall therefore be in addition to the reporting of best science emission estimates.

Parties may report adjusted emissions data for all inventory years for which an emission reduction commitment exists when the unadjusted national total emission estimate is higher than the emission reduction commitment. Parties may choose, in addition, to report adjusted emission estimates for other years, including those prior to an emission reduction commitment.

For each individual emission source category for which an agreed adjustment procedure is relevant, Parties shall report the adjusted emission estimate using the appropriate worksheet of the Nomenclature for Reporting (NFR) reporting template annexed to the Reporting Guidelines (¹). The Party shall further prepare and report the 'adjusted' national total emission estimate in the main worksheet of the NFR reporting template. The reported 'adjusted' national total estimates shall be used for compliance purposes.

In a separate 'Adjustments' chapter of their Informative Inventory Report, Parties who report adjusted emission estimates shall detail the methodology, data and emission factors for each year used in preparing the adjusted emission estimate. The adjusted emission estimates documented in the IIR shall be identical to those reported in the appropriate worksheet(s) of the NFR reporting template.

For each NFR source category to which an adjustment procedure has been accepted, Parties shall apply the same methodology and emission factors etc in preparing their adjusted estimates as were contained in their original proposal agreed to by the EMEP Steering Body. Any change to adjustment

¹ Recognising that future changes to emission inventory reporting are required to implement the amended Gothenburg Protocol, revised Reporting and Informative Inventory Report (IIR) templates and Reporting Guidelines will be presented and discussed at the May 2013 meeting of the TFEIP with a view to their endorsement and adoption at the subsequent EMEP Steering Board and Executive Body meetings of that year. It is anticipated that the amended template will contain a new additional worksheet where details of each technical adjustment can be reported, together with an additional 'adjusted national total for compliance purposes' line in the main NFR reporting template.

methodology and emission factors etc will require a new proposal for an adjustment procedure to be submitted to the EMEP Steering Body.

Adjusted emission estimates will not be considered for use in compliance processes under the Convention unless an IIR is reported by the Party, and it contains the necessary descriptions of the methodology, data and emission factors used in preparing the adjusted emission estimate which allow a transparent review of the adjusted estimates. Parties are reminded of the importance of submitting their IIR by the required deadline specified in the Reporting Guidelines. Technical information in IIRs submitted after the annual reporting deadline will not be reviewed for compliance purposes.

Non-EMEP Parties to the Convention are also free to submit adjustment applications. A short report containing similar information to that outlined above (including relevant datasets) should be submitted instead of the NFR templates and an IIR.

3.5 Guidelines for accounting for adjustments to emission reduction targets

The process for applying for an adjustment to an emission reduction target is the same as that for an adjustment to the emission estimates.

Commentary on adjustments to emission reduction targets:

It is not appropriate for an adjustment to an emission reduction target to be “permanent” because it is entirely possible that the underlying cause of adjustment does not continue. So the process for adjusting the emission reduction target should be the same as that for adjusting the emissions inventory.

3.6 The adjustment review team and the annual cycle

Adjustment applications should be submitted to the EMEP SB by 1st April each year.

Applications will be reviewed by technical experts, who will inform the EMEP SB of their recommendations by 1st September each year.

Commentary on the annual cycle:

The proposal is that adjustments can be applied for on an annual basis. Applications would be needed shortly after LRTAP submissions to allow time for the review and reporting of findings in time for the start of the next national inventory cycle. Submission in April has been proposed, so that the review of applications can be co-ordinated with the current Stage 3 reviews at the end of June. This allows the findings of the reviews to be made available to Parties prior to the start of the next inventory cycle (typically September or October).

Commentary on the adjustment review team: It is recognised that undertaking the review of adjustment applications requires extensive experience in emission inventories, and should not be done by inexperienced volunteers. It is expected that additional resources will be required to fund suitable experts. It is also expected that the time required to assess an adjustment application will be highly dependent on the detail of the adjustment.

The responsibility of managing the review of adjustment applications has many similarities with the current Stage 3 emissions inventory review process. It is therefore considered sensible for CEIP to act as the overall co-ordinator and manager of the adjustment review process, and time the activities of these adjustment reviews to fit with the existing Stage 3 review process.

3.7 Review of previously granted adjustments

Adjustments that have previously been granted may be reviewed in detail if considered appropriate by the EMEP SB.

Commentary on the review of adjustments: Parties are required to provide information on previously granted adjustments in their annual submission (both in the NFR data tables, and the annual informative inventory report).

Given that the magnitude of an adjustment can be revised from year to year, it is important that the most recent calculations associated with a previously granted adjustment can be reviewed.

The proposal made here does not specify a review every e.g. three years, or at the year of the emission reduction targets, or if there is substantial change to the estimated impact of the adjustment. However the construction of such a framework may be considered appropriate, because the current Stage 3 review process is not considered sufficient (a country is typically reviewed only every 5 years).

4 Indicative examples of situations consistent (and not consistent) with the circumstances under which the use of adjustment procedures could be foreseen

4.1 (a) An emission source is identified that was not accounted for at the time when emission reduction commitments were set

Example a1. Certain Parties have introduced emission estimates for some source categories (e.g. NO_x from agricultural soils, NMVOC from food production) to the national inventory after the initial 1999 Gothenburg Protocol reduction commitments were set. These estimates were derived using country-specific methodologies, since the EMEP/EEA Guidebook of that time did not provide any guidance for these categories.

In these circumstances, an adjustment is valid to allow the reporting of best science emissions estimates (which would include the newly estimated sources) and also compliance emissions estimates (excluding the newly estimated sources).

Example a2. A Party estimates emissions from a source, where it had previously reported the emissions as “not estimated”, even though a longstanding methodology has been provided in the EMEP/EEA Emissions Inventory Guidebook.

In these circumstances, an adjustment is not appropriate. The addition of the new source has arisen from “routine” emissions inventory development by the Party (to include a source that should have been included in the emissions inventory previously). The increase in emissions has therefore not arisen from an unforeseen change in the understanding of the science.

4.2 (b) Emission factors used to determine emissions levels for particular source categories for the year in which emissions reduction commitments are to be attained are significantly different than the emission factors applied to these categories when emission reduction commitments were set

Example b1. Under real-world driving conditions, emissions from vehicles often exceed the test cycle limits specified in the Euro emission standards. As a result, emission factors are significantly higher under real world conditions than anticipated from EURO standards and may contribute to exceedences of Parties' emission reduction commitments. This is particularly the case for NO_x emissions from diesel light duty and heavy duty vehicles. For example, diesel light duty vehicles the divergence between expected and real-world emissions was evident from the introduction of the Euro 3 standards implemented in 2000.

This is a valid case for an adjustment. The use of newly updated emission factors (that better reflect the real-world emissions) provides best science emission estimates. The use of these updated emission factors results in a significant revision to the original emission estimates that were used as

the basis for agreeing emission ceilings. This change in the best science estimates could not have reasonably been foreseen by the Party, and it was not within the control of the Party.

Example b2. A Party implements SO₂ abatement equipment to electricity generating stations. However, the abatement equipment does not operate at the predicted efficiency levels, resulting in higher emission factors than had been anticipated.

This is not a valid case for an adjustment. The higher emission factors do not result from a change in scientific understanding, they arise because the national level programme (which is fully within the control of the Party) has not been designed or implemented appropriately.

Example b3. The population of a Party grows at a higher rate than expected, resulting in increased emissions of numerous sources.

This is not a valid case for an adjustment. It is debatable whether population growth is something that can be “controlled” by a Party, however the revision to the emission projections does not arise from a change in the understanding of the science (and more specifically a change in emission factors).

4.3 (c) The methodologies used for determining emissions from specific source categories have undergone significant changes between the time when emission reduction commitments were set and the year they are to be attained

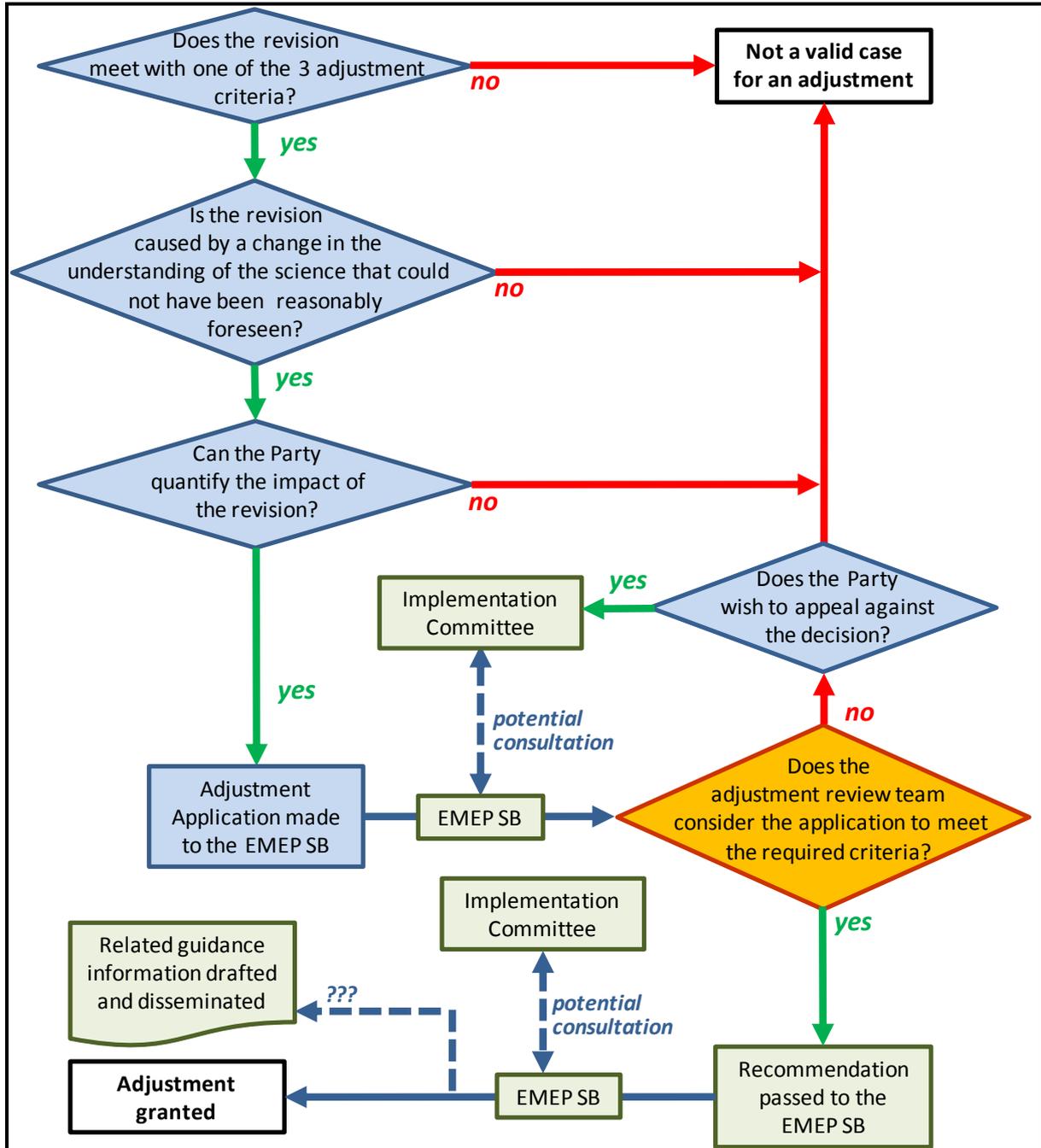
Example c1. A Party uses a methodology in the EMEP/EEA Guidebook for estimating NMVOC emissions from the solvent sector. The Guidebook is updated, and an improved methodology is provided in place of the original methodology. The Party changes to use the new methodology, and the resulting emissions are higher.

This is a valid case for an adjustment. The revision to the emission estimates has arisen from a change in the understanding of the science, and the Party have followed good practice by using the methodologies provided in the EMEP/EEA Emissions Inventory Guidebook.

Example c2. A Party uses a Tier 1 (simple) method from the Guidebook for estimating emissions of NO_x from the domestic sector. The Party then obtains more detailed input data to allow the Tier 2 method from the Guidebook to be used. The resulting emissions from the Tier 2 approach are higher than those from the Tier 1 methodology.

This is not a valid case for an adjustment. This revision to emission estimates is the result of “normal” inventory development, and it has not resulted from a change in the understanding of the science. Furthermore, it is good practice to use a Tier 2 methodology for a “key category”, and therefore the guidance indicates that this Party should be making every reasonable effort to use a Tier 2 (or Tier 3) approach for this source.

5 Annex I: Decision tree for the adjustment process



6 Annex II. Decision 2012/3. Adjustments under the Gothenburg Protocol to emission reduction commitments or to inventories for the purposes of comparing total national emissions with them

(Note – this annex is a copy of the decision text available after the May 2012 EB meeting. The final decision text has not yet been published by the Secretariat.)

The Executive Body,

Conscious of the uncertainties inherent in estimating and projecting emission levels and the need for continuous scientific and methodological improvements;

Determined that the application of improved emission inventory methodologies should not put a Party at a disadvantage in terms of meeting its emission reduction commitments;

Recognizing the need for a clear and transparent process providing for the review and evaluation of a proposed adjustment by appropriate bodies of the Convention;

Wishing to preserve the environmental integrity of the Gothenburg Protocol;

Noting decision 2006/2 on the Implementation Committee, its structure and functions;

1. *Decides* that adjustments to emission reduction commitments, or to inventories for the purposes of comparing total national emissions with them, may be applied in any of the circumstances referred to in paragraph 6 below, in the event that such a circumstance contributes to a Party being unable to meet one of its reduction commitments contained in annex II.

Also decides that a Party applying an adjustment to its inventory for the purposes of comparing total national emissions with emission reduction commitments will notify the secretariat of the adjustment when it submits its annual emission data to EMEP. The Party should also include in its Informative Inventory Report or an alternative report, supporting documentation in line with the guidance referred to in paragraph 7. The secretariat shall inform the EMEP Steering Body and Parties of any such notification.

3. *Further decides* that a Party proposing an adjustment to its emission reduction commitments due to circumstances described in paragraph 6 will submit its proposal including an explanation of the reason the Party wishes to apply the adjustment along with supporting documentation as provided for by the guidance referred to in paragraph 7 below to the secretariat. The secretariat shall forward the proposal to the EMEP Steering Body and Parties.

4. *Also decides* that the EMEP Steering Body, in conjunction with other appropriate technical bodies under EMEP and where possible through the use of appropriate existing procedures, will review the supporting documentation and assess whether the adjustment is consistent with the circumstances described in paragraph 6 and the guidance to be adopted in accordance with paragraph 7. The secretariat will make the review available to the Parties, who have the option of making a submission to the Implementation Committee in accordance with decision 2006/2.

5. *Decides further* that if the review referred to in paragraph 4 indicates that the adjustment may not be consistent with the circumstances described in paragraph 6 or the guidance to be adopted in accordance with paragraph 7, the EMEP Steering Body will inform the secretariat of the results of its review and the secretariat in turn will refer the matter to the Implementation Committee.

6. *Decides* that the circumstances under which such an adjustment under paragraph 2 or 3 could be applied are extraordinary and fall into three broad categories where:

emission source categories are identified that were not accounted for at the time when emission reduction commitments were set;

emission factors used to determine emissions levels for particular source categories for the year in which emissions reduction commitments are to be attained are significantly different than the emission factors applied to these categories when emission reduction commitments were set; or

the methodologies used for determining emissions from specific source categories have undergone significant changes between the time when emission reduction commitments were set and the year they are to be attained;

7. *Requests* the EMEP Steering Body to develop provisional guidance for consideration by the Executive Body at its thirty-first session, related to the application of the adjustment procedures provided for in paragraphs 2 and 3 in the circumstances referred to in paragraph 6. Additional guidance should be developed for consideration by the Executive Body at its thirty-second session and would include:

consideration of possible thresholds/triggers that could allow for the application of the procedure;

the possible need for timelines after which certain adjustments would cease to be valid;

guidelines for accounting for adjustments to emission inventories in the reporting templates and the Informative Inventory Report, including instructions on required supporting information, technical analyses and documentation, to accompany and justify a requested adjustment;

guidelines for accounting for adjustments to emission reduction commitments including instructions on required supporting information, technical analyses and documentation;

examples of situations consistent with paragraph 6, sub-paragraphs (a), (b) and (c) above; and

further guidance related to circumstances under which a Party may apply such a procedure and what constitutes "significant".

8. *Requests* the secretariat to prepare a translation of the proposed provisional guidance, post it to the Convention's website 6 weeks prior to the thirty-first session of the Executive Body and notify all Parties to the Convention when it has been posted;

9. *Decides* that the Implementation Committee will suspend action on any referrals from the secretariat related to a Party's compliance with its emission reduction commitments where a Party has provided notification of its intent to apply an adjustment in accordance with paragraph 2 or has proposed an adjustment in accordance with paragraph 3, unless the Implementation Committee receives a referral from the secretariat as described in paragraph 5.