



MINISTRY OF
NATIONAL DEVELOPMENT

File No.: NFM/ 19041/2/2012
Officer in charge: Máté Kelner
Telephone No.: +36-1-795-6353
E-mail: mate.kelner@nfm.gov.hu

24th October 2012

Eva Filzmoser

Programme Director
CDM Watch
Rue d'Albanie 117
1060, Brussels
BELGIUM

Re: ENVIRONMENT COUNCIL MUST TACKLE GIGANTIC KYOTO-UNIT SURPLUS

Dear Programme Director,

We have carefully considered your letter on 4th of October 2012. We believe that it is of crucial importance to have an agreement over this issue at the upcoming Environment Council.

Doha will be an important turning point in the international negotiations. Hopefully, parties will agree on a second commitment period of the Kyoto Protocol, and there will be progress towards a global, legally binding agreement. At the same time, due to the continuous failure to reach an internal agreement, the EU still does not have a mandate to represent the interest of its Member States over the carry-over of AAUs. At present, the only proposal on the table is from the G77 and China, which is too narrow in terms of domestic use and trading of AAUs for several Member States. Hungary believes that the EU should develop its own position, which allows the full carry over of AAUs from the first (CP1) to the second commitment period (CP2), with more flexible conditions on use, keeping the option of trading, and avoiding cancellation after the end of CP2 in 2020.

Regarding the EU's ambition level, based on the 2008 Climate- Energy Package, Hungary supports the EU to raise its emission reductions to 20%. Therefore, we accept the 80% quantified emission reduction target (QELRO 80), for the EU, and for Member States too. In harmony with the present legislation, we can also accept that Kyoto units can not be used for compliance in the EU after 1st January 2013.

Unfortunately, the future of the flexible mechanisms under Kyoto Protocol is not yet clear. During CP1, Hungary has been engaged in JI projects primarily with EU investor countries. We think that, in general, flexible mechanisms are of good use of emissions reductions and contribute to our target and the involvement of the wider international community.

We assure you that we are doing all we can do to avoid the catastrophic effects of global climate change. Hungary is committed to solve the global problems together with Parties of the Kyoto Protocol, hopefully within a framework of CP2 and a future global agreement.

Yours sincerely,



Ákos Lukács
Head of Department
Department for Climate Policy
(P. H.)