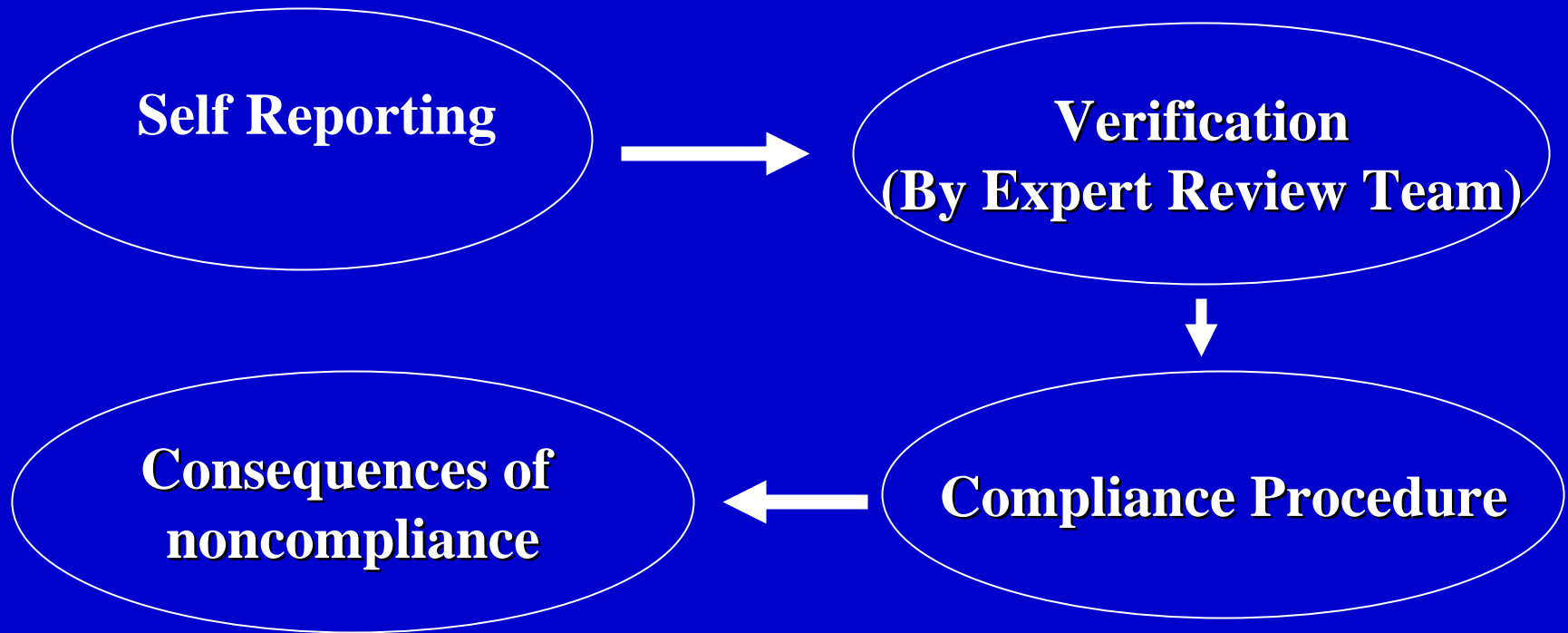




Emissions Trading and the Compliance Regime under the Kyoto Protocol

Xueman Wang, Senior Legal Counsel, World Bank

The Compliance Regime under the Kyoto Protocol

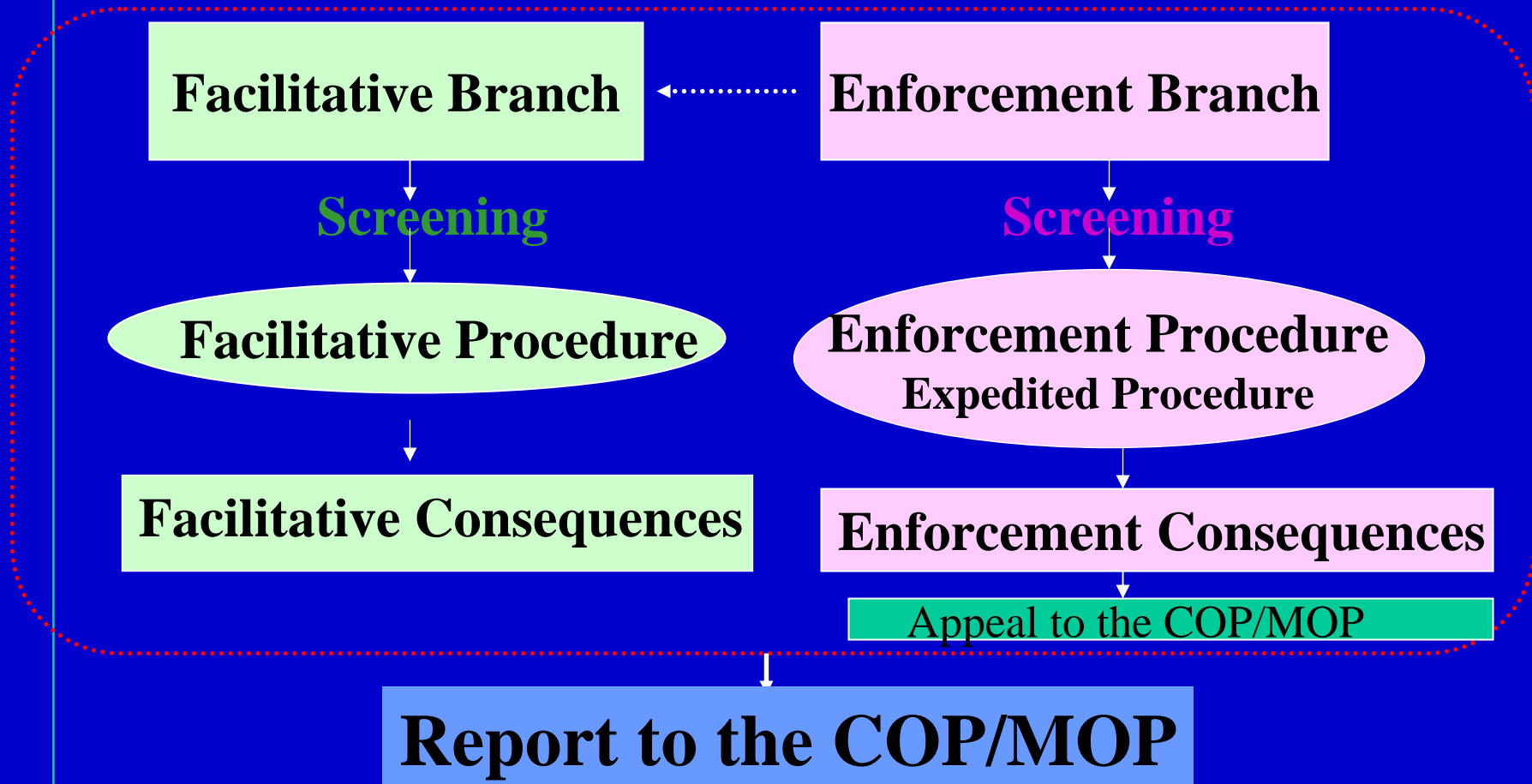


The Compliance Mechanism under the Kyoto Protocol



Questions of implementation submitted
in expert review reports and by Parties

The Compliance Committee



Eligibility Requirements



Annex I Parties' Eligibility Requirements for Participating in Emissions Trading (ET)

- **Is a Party to the Kyoto Protocol**
- **Assigned Amount has been calculated and recorded**
- **Has in place a national system for inventory**
- **Has in place a national registry**
- **Has submitted an annual inventory**
- **Supplementary information on assigned amount**

How Are the Eligibility Requirements Assessed?



- **By Whom?**
 - **Enforcement Branch of the Compliance Committee**
- **Approach**
 - **Presume innocent until prove guilty (automatic compliance 16 months have elapsed since submission of the inventory**
 - **Expedited Procedure**

If a question of implementation is raised on a Party's eligibility requirements, the Enforcement Branch will follow an expedited process to determine compliance.



Consequences of noncompliance and implications

- **Consequences of non-compliance with Eligibility Requirements By Annex I Party**
 - **Not entitled to participate in the emissions trading (or suspension of participating in emissions trading)**
- **Implications on the private entities**
 - **Participation in ET by a private entity needs authorization by Annex I Party. If the authorizing Party is non-compliance, the private entity is not able to transfer/acquire emission credits**
- **Reinstatement of eligibility requirements by the Enforcement Branch**

Thank you



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