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## PRESS RELEASE

### **Kyoto Protocol Parties move closer to trading emission allowances**

(Vienna, 30 August 2007) The secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) today released first results indicating that countries will meet criteria to begin trading in Kyoto emission allowances for 2008, the first year of the Treaty's first commitment period.

International teams coordinated by the secretariat have finished reviews of reports submitted by Austria, Japan and Switzerland that detail their preparations to work under the Kyoto Protocol. These so-called "Initial Reports" confirm that governments have put in place systems for calculating their emissions and tracking the results of their emissions trading.

"Kyoto requires that countries prove that they can track progress towards their emission targets and these reviews show that governments are passing the test," said UNFCCC Executive Secretary Yvo de Boer. "Austria, Japan and Switzerland are just the first reviews to be finished and we are expecting another 30 or so before the end of the year," Mr de Boer said.

The review results for these first three countries have been forwarded to Kyoto's Compliance Committee, which will consider in early September whether any questions remain outstanding.

The international review teams have now visited 32 countries and examined their Initial Reports in detail, a process involving more than 200 government-nominated experts. The first review reports prepared by these teams are now published on the UNFCCC website.

"The carbon market has been waiting for a sign that governments will meet criteria to be eligible for emissions trading under the Kyoto Protocol," said Yvo de Boer.

The news comes as governments meet in Austria for the "Vienna Climate Change Talks" (27 to 31 August) to discuss how to combat climate change in the future. "We've always known that the Kyoto Protocol is a first step in dealing with the climate change challenge", said the Executive Secretary, "but the groundwork being laid by countries now sets the basis for much more ambitious targets under a post-2012 climate change regime".

The review process has so far confirmed around 6.5 billion emission allowances under Kyoto, out of the approximately 56 billion tonnes expected for all industrialized countries together.



"With such quantities of emission allowances in the Kyoto system, recording their whereabouts at all times is crucial to the integrity of the Protocol", said the UN's top climate change official.

Governments have been implementing on-line registries to control the creation of emission allowances and their delivery from sellers to buyers. Each registry will operate through a link with the International Transaction Log put in place by the UN Climate Change Secretariat.

"The ITL is the international community's safeguard that registries accurately track their allowances and work within the rules agreed for the Kyoto Protocol", Yvo de Boer said. "Not a single allowance may ever be lost and none may be conjured out of thin air".

So far, eight registries have been approved to operate with the ITL. These are the registry of the Clean Development Mechanism (CDM) and those of Austria, the Czech Republic, Hungary, Japan, New Zealand, Switzerland and the United Kingdom. A further seven European registries have passed the technical tests and are currently finalizing their documentation. Registries are scheduled to have all completed their ITL approval processes by mid-October 2007.

The next challenge for these registries is to commence live operations with the ITL. European registries are currently operating together under the European trading scheme and are scheduled to collectively switch to the ITL in November 2007. Detailed plans have been drawn up and are now being implemented by EU Member States, the European Commission and the UN.

"Having registries go live on the ITL in November this year clearly has one eye on the delivery of CDM credits under future contracts in December", said the UNFCCC Executive Secretary. "Governments have called for this and we are doing all we can to help them achieve their goal."

Under the 1997 Kyoto Protocol, 36 industrialized countries are required to reduce greenhouse gas emissions by at least 5% below 1990 levels between 2008 and 2012. A total of 175 countries have now ratified the treaty, which entered into force on 16 February 2005.

**Notes:**

Initial Reports and review results are available for Austria, Japan and Switzerland (more will be added as they are finished) on the UNFCCC website under:  
[http://unfccc.int/national\\_reports/initial\\_reports\\_under\\_the\\_kyoto\\_protocol/items/3765.php](http://unfccc.int/national_reports/initial_reports_under_the_kyoto_protocol/items/3765.php)

The approval of registries to operate with the ITL is documented by the secretariat in "Independent Assessment Reports", which are made available on the UNFCCC website under:  
<[http://unfccc.int/kyoto\\_protocol/registry\\_systems/independent\\_assessment\\_reports/items/4061.php](http://unfccc.int/kyoto_protocol/registry_systems/independent_assessment_reports/items/4061.php)>

**About the UNFCCC**

With 191 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership and is the parent treaty of the 1997 Kyoto Protocol. The Kyoto Protocol has to date 175 member Parties. Under the Protocol, 36 States, consisting of highly industrialized countries and countries undergoing the process of transition to a market economy, have legally binding emission limitation and reduction commitments. The ultimate objective of both treaties is to stabilize greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

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