

## **FINAL DECISION**

*Party concerned: Liechtenstein*

In accordance with the “Procedures and mechanisms relating to compliance under the Kyoto Protocol”, contained in the annex to decision 27/CMP.1 (the procedures and mechanisms)<sup>1</sup> and adopted under Article 18 of the Kyoto Protocol, and the “Rules of procedure of the Compliance Committee of the Kyoto Protocol” (the rules of procedure),<sup>2</sup> the enforcement branch adopts the following final decision on the basis of its preliminary finding (CC-2024-1-3/Liechtenstein/EB).

### **I. BACKGROUND**

1. On 31 October 2024, the enforcement branch adopted a preliminary finding of non-compliance with respect to Liechtenstein.
2. On 3 January 2025, the branch received a written submission from Liechtenstein (CC-2024-1-4/Liechtenstein/EB) in accordance with section IX, paragraph 8, of the annex to decision 27/CMP.1. On 23 January 2025, the branch received from Liechtenstein a corrigendum to the written submission (CC-2024-1-5/Liechtenstein/EB). The branch considered the above information provided by Liechtenstein in adopting a final decision.

### **II. REASONS AND CONCLUSIONS**

3. On the basis of the information provided by Liechtenstein referred to in paragraph 2 above, the branch notes that:
  - (a) Liechtenstein explains that due to unforeseen internal challenges and administrative gaps, it did not retire any Kyoto Protocol units for the second commitment period for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol.<sup>3</sup> These internal challenges and administrative gaps included leadership and knowledge gaps during transitions, capacity and awareness challenges regarding the retirement of Kyoto Protocol units for the second commitment period, changes in the national registry system, including access issues, disturbances in the flow of information and communication channels and administrative oversight.
  - (b) Liechtenstein informs that it intends to address these internal challenges and administrative gaps to ensure future compliance by undertaking various measures, including capacity building to ensure awareness and readiness, establishing clear handover protocols and process documentation to preserve knowledge and ensure continuity during transitions, establishing clear chains of decision-making and accountability to prevent administrative delays, strengthening collaboration with the European Union and the UNFCCC, allocating more staff to climate action, and engaging in ongoing training.

---

<sup>1</sup> All section references in this document refer to the “Procedures and mechanisms relating to compliance under the Kyoto Protocol” contained in the annex to decision 27/CMP.1.

<sup>2</sup> All references to the rules of procedure in this document refer to the rules contained in the annex to decision 4/CMP.2 as amended by decisions 4/CMP.4, 8/CMP.9 and 6/CMP.17.

<sup>3</sup> CC-2024-1-4/Liechtenstein/EB.

- (c) Liechtenstein restates that upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol, Kyoto Protocol units in excess of 1 558 777 t CO<sub>2</sub> eq were available for retirement in the national registry. This is consistent with the conclusion of the branch made in the preliminary finding (paragraph 13 (d)) that, while Liechtenstein did not retire sufficient Kyoto Protocol units for the second commitment period by the end of the additional period for fulfilling commitments for that period (9 September 2023), the total quantity of Kyoto Protocol units in its holding account on that date was higher than the aggregate anthropogenic GHG emissions of Liechtenstein in the second commitment period.<sup>4</sup>
- (d) Liechtenstein again reiterated its willingness to take immediate action to make the necessary retirements once the International Transactions Log (ITL) allows such retirement to take place.

4. After the consideration of the written submission and corrigendum to it from Liechtenstein referred to in paragraph 2 above, the branch maintains its previous finding contained in paragraph 16 of the preliminary finding contained in the annex to this decision that Liechtenstein was not in compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol, and the mandatory requirements set out in the “Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol” (annex to decision 13/CMP.1, in conjunction with decision 3/CMP.11) and the “Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol” (annex to decision 15/CMP.1, in conjunction with decision 3/CMP.11). In particular, the branch recalls the reasons given for its conclusions, as contained in paragraph 13 (a), (b) and (f) of the preliminary finding contained in the annex to this decision, which state as follows:

- (a) Liechtenstein did not retire any Kyoto Protocol units for the second commitment period to demonstrate its compliance with its commitment under Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol;<sup>5</sup>
- (b) Consequently, Liechtenstein’s aggregate anthropogenic GHG emissions in the second commitment period exceed the quantity of Kyoto Protocol units in its retirement account for the same period. This is not in accordance with the requirements under decision 13/CMP.1, annex, paragraphs 13, 14, 17 and 34, in conjunction with decision 3/CMP.11.<sup>6</sup>
- (f) The report of the expert review team (ERT) on the review of the report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol of Liechtenstein submitted in 2023 and contained in document FCCC/KP/CMP/2023/TPR/LIE concluded that there is an unresolved problem of a mandatory nature in accordance with decision 22/CMP. 1, in conjunction with decision 4/CMP.11.<sup>7</sup>

5. The branch notes that based on the information provided by Liechtenstein in its written submission and corrigendum to it referred to in paragraph 2 above, Liechtenstein is prepared to take or has already undertaken corrective actions to address the internal challenges and administrative gaps that prevented it from retiring any Kyoto Protocol units for the second commitment period. According to Liechtenstein, these corrective measures will ensure that the retirement process adheres strictly to compliance requirements in the future.

6. The branch further notes the information provided by Liechtenstein in its written submission and corrigendum to it referred to in paragraph 2 above that upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol, Kyoto Protocol units in excess of 1 558 777 t CO<sub>2</sub> eq were available for retirement in the national registry.

---

<sup>4</sup> FCCC/ARR/2022/LIE.

<sup>5</sup> CC-2024-1-3/Liechtenstein/EB, paragraph 13 (a).

<sup>6</sup> CC-2024-1-3/Liechtenstein/EB, paragraph 13 (b).

<sup>7</sup> CC-2024-1-3/Liechtenstein/EB, paragraph 13 (f).

7. The branch, however, recalls its conclusion made in the preliminary finding (paragraph 15) that, for the branch to be able to conclude that Liechtenstein is in compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol, Liechtenstein would need to ensure that its national registry system is able to retire a sufficient amount of Kyoto Protocol units in accordance with the annex to decision 13/CMP.1, paragraphs 13, 14, 17 and 34, in conjunction with decision 3/CMP.11.

### **III. DECISION**

8. The branch therefore confirms, in accordance with section IX, paragraph 8, and rule 22 of the rules of procedure, the preliminary finding with respect to Liechtenstein's non-compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol, and the mandatory requirements set out in the "Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol" (annex to decision 13/CMP.1, in conjunction with decision 3/CMP.11) and the "Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol" (annex to decision 15/CMP.1, in conjunction with decision 3/CMP.11), as set out in paragraph 16 of the preliminary finding annexed hereto, which shall be deemed to form an integral part of this final decision.

9. The branch decides to apply the consequences outlined in paragraph 18, subparagraphs (a) to (c), of the preliminary finding contained in the annex to this decision.

Members and alternate members participating in the consideration and elaboration of the final decision: Ms. Paulette BYNOE, Mr. Sebastian NGUYEN-BLOCH, Ms. Rensie PANDA (alternate member serving as member), and Mr. Arne RIEDEL.

Members participating in the adoption of the final decision: Ms. Paulette BYNOE, Ms. Loredana DALLORA (Member ad interim), Mr. Leonardo MASSAI (Alternate member, serving as member), Mr. Sebastian Nguyen-Bloch, Mr. Derrick ODERSON, Mr. Ahmad RAJABI, Mr. Arne RIEDEL, Mr. George WAMUKOYA (Alternate member, serving as member) and Ms. Ratnasari WARGAHA-DIBRATA (Alternate Member, serving as member).

This decision was adopted by the requisite majority<sup>8</sup> in Bonn on 4 February 2025.

- - - - -

---

<sup>8</sup> See paragraph 9 of section II in the annex to decision 27/CMP. 1.

**PRELIMINARY FINDING ON QUESTION OF IMPLEMENTATION WITH RESPECT TO  
LIECHTENSTEIN**

*Party concerned: Liechtenstein*

In accordance with the “Procedures and mechanisms relating to compliance under the Kyoto Protocol”, contained in the annex to decision 27/CMP.1 (the procedures and mechanisms)<sup>1</sup> and adopted under Article 18 of the Kyoto Protocol, and the “Rules of procedure of the Compliance Committee of the Kyoto Protocol” (the rules of procedure),<sup>2</sup> the enforcement branch adopts the following preliminary finding.

**I. BACKGROUND**

1. In accordance with paragraph 1 of section VI<sup>3</sup>, the Compliance Committee received a question of implementation indicated in the report of the expert review team (ERT) on the review of the report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol of Liechtenstein submitted in 2023 and contained in document FCCC/KP/CMP/2023/TPR/LIE (hereinafter, “the review report”).

2. The bureau of the Compliance Committee allocated the question of implementation to the enforcement branch on 24 May 2024 under paragraph 1 of section VII, in accordance with paragraphs 4 to 6 of section V and paragraph 1 of rule 19 of the rules of procedure.

3. On 27 May 2024, the secretariat notified the members and alternate members of the enforcement branch of the question of implementation, in accordance with paragraph 2 of rule 19 of the rules of procedure, and of their allocation to the enforcement branch.

4. The question of implementation relates to compliance with Article 3, paragraph 1 bis, of the Doha Amendment (annex I to decision 1/CMP.8).<sup>4</sup> In particular, on the basis of the assessment of the information submitted by Liechtenstein in its report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol submitted on 24 October 2023,<sup>5</sup> the report on the individual review of the annual submission of Liechtenstein submitted in 2022<sup>6</sup> and paragraph 91 of the annex to decision 22/CMP.1 entitled “Guidelines for review under Article 8 of the Kyoto Protocol”, in conjunction with decision 4/CMP.11, the ERT concluded that the aggregate anthropogenic greenhouse gas (GHG) emissions of Liechtenstein in the second commitment period exceed the quantity of emission reduction units (ERUs), certified emission reductions (CERs), temporary certified emission reductions (tCERs), long-term certified emission reductions (lCERs), assigned amount units (AAUs) and removal units (RMUs) in the retirement account of Liechtenstein for the second commitment period.<sup>7</sup>

5. The question of implementation is not related to the eligibility requirements referred to in paragraph 31, annex to decision 3/CMP.1, paragraph 21, annex to decision 9/CMP.1 or paragraph 2 of

---

<sup>1</sup> All section references in this document refer to the “Procedures and mechanisms relating to compliance under the Kyoto Protocol” contained in the annex to decision 27/CMP.1.

<sup>2</sup> All references to the rules of procedure in this document refer to the rules contained in the annex to decision 4/CMP.2 as amended by decisions 4/CMP.4, 8/CMP.9 and 6/CMP.17.

<sup>3</sup> Unless otherwise indicated, ‘sections’ referred to in this decision are those of the procedures and mechanisms mentioned in the introductory paragraph above.

<sup>4</sup> See FCCC/KP/CMP/2023/TPR/LIE, paragraphs 8 and 9 and table 2.

<sup>5</sup> Available at [https://unfccc.int/sites/default/files/resource/20231024\\_True-up%2020period%20report\\_Liechtenstein.pdf](https://unfccc.int/sites/default/files/resource/20231024_True-up%2020period%20report_Liechtenstein.pdf).

<sup>6</sup> FCCC/ARR/2022/LIE. Available at [https://unfccc.int/sites/default/files/resource/arr2022\\_LIE.pdf](https://unfccc.int/sites/default/files/resource/arr2022_LIE.pdf).

<sup>7</sup> See FCCC/KP/CMP/2023/TPR/LIE, paragraph 6 and table 1.

decision 11/CMP.1. Consequently, the expedited procedures as contained in paragraph 1 of section X do not apply to the consideration by the enforcement branch of the question. The procedures for the enforcement branch, as contained in section IX, apply instead.

6. In accordance with the relevant timelines set out in procedures and mechanisms and the rules of procedure, the question of implementation contained in the review report,<sup>8</sup> and the notification on the decision to proceed,<sup>9</sup> which included a reminder about the possibility to request a hearing and the deadline for making the written submission,<sup>10</sup> were forwarded to the diplomatic agent of Liechtenstein with a copy to the national focal point of Liechtenstein.

7. No request for a hearing from Liechtenstein under paragraph 1(c) of section X was received by the enforcement branch.

8. Further, Liechtenstein did not make a written submission per paragraph 1 of section IX, and rule 17 of the rules of procedure.

9. At the 39<sup>th</sup> meeting of the enforcement branch, a representative of Liechtenstein was present and reiterated the Party's willingness and readiness to make the necessary retirements as soon as retirements are allowed again.<sup>11</sup>

10. On 24 October 2024, the enforcement branch held its 40<sup>th</sup> meeting virtually to consider the question of implementation with respect to Liechtenstein.<sup>12</sup>

11. No competent intergovernmental or non-governmental organization submitted any information under paragraph 4 of section VIII.

## **II. INFORMATION SUBMITTED, PRESENTED AND CONSIDERED**

12. In its deliberations, the enforcement branch considered the review report referred to in paragraph 1 above.

## **III. REASONS AND CONCLUSIONS**

13. The enforcement branch notes that:

- (a) Liechtenstein did not retire any Kyoto Protocol units for the second commitment period for the purpose of demonstrating its compliance with its commitment under Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol;
- (b) Consequently, Liechtenstein's aggregate anthropogenic GHG emissions in the second commitment period exceed the quantity of Kyoto Protocol units in its retirement account for the same period. This is not in accordance with the requirements under decision 13/CMP.1, annex, paragraphs 13, 14, 17 and 34, in conjunction with decision 3/CMP.11;<sup>13</sup>
- (c) Liechtenstein explained during the review of its report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto

---

<sup>8</sup> See FCCC/KP/CMP/2023/TPR/LIE, paragraphs 8 and 9 and table 2.

<sup>9</sup> Section VII, paragraph 4.

<sup>10</sup> Section X, paragraph 1 (b) and (c).

<sup>11</sup> FCCC/KP/CMP/2024/2, paragraph 25, available at [https://unfccc.int/sites/default/files/resource/cmp2024\\_02E.pdf](https://unfccc.int/sites/default/files/resource/cmp2024_02E.pdf)

<sup>12</sup> Item 3 of the agenda of the fortieth meeting of the enforcement branch, contained in document CC/EB/40/2024/1.

<sup>13</sup> FCCC/KP/CMP/2023/TPR/LIE, paragraph 6 and table 1.

Protocol, that due to changes in the national registry system, it missed the deadline for retirement;<sup>14</sup>

- (d) While Liechtenstein did not retire sufficient Kyoto Protocol units for the second commitment period by the end of the additional period for fulfilling commitments for that period (9 September 2023), the total quantity of Kyoto Protocol units in its holding account on that date was higher than the aggregate anthropogenic GHG emissions of Liechtenstein in the second commitment period;<sup>15</sup>
  - (e) Liechtenstein has indicated its willingness and readiness to make the necessary retirements, during the review of its report upon expiration of the additional period for fulfilling commitments for the second commitment period of the Kyoto Protocol,<sup>16</sup> and reiterated this willingness at the 39<sup>th</sup> meeting of the enforcement branch (see paragraph 9 above);
  - (f) The review report concluded that there is an unresolved problem of a mandatory nature in accordance with decision 22/CMP. 1, in conjunction with decision 4/CMP.11.<sup>17</sup>
14. Having considered the reasons contained in paragraph 13 above, the enforcement branch concludes that Liechtenstein is not in compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol.
15. For the enforcement branch to be able to conclude that Liechtenstein is in compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol, Liechtenstein would need to ensure that its national registry system is able to retire a sufficient amount of Kyoto Protocol units in accordance with the annex to decision 13/CMP.1, paragraphs 13, 14, 17 and 34, in conjunction with decision 3/CMP.11.

#### **IV. FINDINGS**

16. The enforcement branch determines that Liechtenstein is not in compliance with Article 3, paragraph 1 bis, of the Doha Amendment to the Kyoto Protocol, and the mandatory requirements set out in the “Modalities for the accounting of assigned amounts under Article 7, paragraph 4, of the Kyoto Protocol” (annex to decision 13/CMP.1, in conjunction with decision 3/CMP.11) and the “Guidelines for the preparation of the information required under Article 7 of the Kyoto Protocol” (annex to decision 15/CMP.1, in conjunction with decision 3/CMP.11).
17. These findings shall take effect upon confirmation by a final decision of the enforcement branch.

#### **V. CONSEQUENCES**

18. In accordance with section XV, the enforcement branch applies the following consequences:
- (a) Deduction from Liechtenstein’s assigned amount for the subsequent commitment period of a number of tonnes equal to 1.3 times the amount in tonnes of excess emissions;
  - (b) Liechtenstein shall develop a compliance action plan referred to in paragraph 5 of section XV, in accordance with the substantive requirements of paragraph 6 of section XV and paragraph 1 of rule 25 bis of the rules of procedure; submit it within three months to the

---

<sup>14</sup> See FCCC/KP/CMP/2023/TPR/LIE, paragraph 6.

<sup>15</sup> FCCC/ARR/2022/LIE.

<sup>16</sup> FCCC/KP/CMP/2023/TPR/LIE, paragraph 6.

<sup>17</sup> FCCC/KP/CMP/2023/TPR/LIE, paragraph 8.

enforcement branch in accordance with paragraph 6 of section XV; and report on the progress of its implementation in accordance with paragraph 7 of section XV. The compliance action plan shall include the action that Liechtenstein intends to implement in order to meet its commitment under Article 3, paragraph 1 bis of the Doha Amendment to the Kyoto Protocol, as referred to in paragraph 15 above;

- (c) Liechtenstein is not eligible to make transfers under Article 17 of the Protocol until the Party is reinstated in accordance with section X, paragraph 3 or 4.<sup>18</sup>

19. The consequences listed in section V, paragraph 18 (a) to (c) above, shall take effect upon confirmation by a final decision of the enforcement branch.

Members and alternate members participating in the consideration and elaboration of the decision: Ms. Paulette BYNOE, Ms. Loredana DALLORA, Mr. Federico GRULLON DE LA CRUZ, Ms. Rensie PANDA, Mr. Arne RIEDEL, and Mr. George WAMUKOYA.

Members participating in the adoption of the decision on preliminary findings: Ms. Paulette BYNOE, Ms. Loredana DALLORA (member ad interim), Mr. Ba MOUSSA (alternate member serving as member), Mr. Sebastian NGUYEN-BLOCH, Ms. Rensie PANDA (alternate member serving as member), Mr. Arne RIEDEL, Ms. Iryna RUDZKO, Mr. Mohammad SA'DAT ALAM, Mr. George WAMUKOYA (alternate member serving as member), Ms. Ratnasari WARGAHA-DIBRATA (member ad interim).

This decision was adopted by the requisite majority<sup>19</sup> in Bonn on 31, October 2024.

- - - - -

---

<sup>18</sup> The enforcement branch notes that, if and when the Party is reinstated, the Party cannot make transfers under Article 17 of the Kyoto Protocol, in accordance with section XIII of decision 27/CMP.1.

<sup>19</sup> See paragraph 9 of section II in the annex to decision 27/CMP.1