



To: Members of the enforcement branch
Kyoto Protocol Compliance Committee
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Your correspondence:
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Action plan to address non-compliance with the Kyoto Protocol (Second Commitment Period)

Submitted in accordance with paragraph 18 (b) of preliminary finding of the Enforcement Branch of the Compliance Committee (CC-2024-1- 3/Liechtenstein/EB) and paragraph 9 of its final decision (CC-2024-1-6/Liechtenstein/EB), 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 of the Compliance Committee of the Kyoto Protocol.

Liechtenstein is pleased to present this Action Plan to the Enforcement Branch of the Compliance Committee under Section XV, paragraph 6 of the “Procedures and mechanisms relating to compliance under the Kyoto Protocol” (annex to decision 27/CMP.1) (the “Procedures and mechanisms”) in response to the preliminary finding of the Enforcement Branch of the Compliance Committee (CC-2024-1- 3/Liechtenstein/EB) and its final decision (CC-2024-1-6/Liechtenstein/EB).

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1. Analysis of the causes of the non-compliance issue

Liechtenstein failed to retire 1 558 777 tonnes of CO₂ equivalent emission units for the second commitment period of the Kyoto Protocol within the deadline, despite having the corresponding number of units in its registry available and ready to be retired for the purpose of demonstrating compliance. A combination of organizational, administrative, operational challenges and gaps related to institutional arrangements in the country contributed to this oversight, including:

- **Leadership transition and knowledge gaps:** Changes in key personnel led to a disruption in institutional memory and procedural continuity. The position of the UNFCCC/ Registry Administrator in Liechtenstein was vacant for over five months, causing a situation where no handover took place between the previous position holder to the current. Crucial operational knowledge, especially about the Kyoto Protocol obligations and registry operations was not adequately transferred and subsequently lost.
- **Capacity Constraints:** At the time limited staffing and turnover reduced Liechtenstein's ability and knowledge to manage complex reporting and retirement processes. The current team wrongly assumed that retirement steps had already been carried out.
- **National Registry Changes:** Adjustments in the national registry system, including the inability to log onto the national registry due to the lack of a hand over created further complexity in the management and retirement process. Technical and administrative barriers impeded timely access to the national registry, delaying critical actions.
- **Internal communication disruptions:** Disturbances in the flow of information and communication channels delayed timely actions.
- **Administrative Oversight:** Arrangements for oversight were not sufficiently robust.

2. Corrective measures to remedy the causes of non-compliance

In response to the identified causes of non-compliance, Liechtenstein has developed and initiated a comprehensive set of corrective measures designed to ensure future compliance, to resolve the current issue and restore full compliance with the Kyoto Protocol. The measures included are listed below, and the status of implementation is described in section 2.1:

Capacity building

- **Staff Training:** Liechtenstein has launched a comprehensive training (i.e. workshops, tutorials, exchange with other parties) to equip several staff members with the technical and procedural knowledge required for effective compliance management to ensure awareness and readiness. This includes capacity-building through regular workshops. The first one was carried out end of April. Furthermore, several calls with

other registry administrators were organized and the option of a support contract with Austria is currently being assessed.

- **Additional Capacity:** 100% more staff resources have already been allocated to climate action, ensuring that no disruptions in information flow will occur in future.
- **Continuous Training:** Ongoing training and participation in fora such as the Annual Registry Systems Administrators Forum under the Kyoto Protocol to ensure continued improvement.

Peer Group Exchanges

- **Exchange of good practices:** Liechtenstein has been and will be reaching out to peers in other European countries, in particular other small states such as Monaco, to exchange on good practices and identify possible synergies.

Knowledge management

- **Standard Operating Procedures (SOP) for the national registry:** SOPs have been updated to ensure that key processes are documented, and institutional knowledge is preserved and shared to ensure continuity during transitions linked to registry questions.

Administrative Processes

- **Oversight:** Liechtenstein has established clear chains of oversight and accountability to prevent administrative delays in the future.
- **Process enhancement:** Internal workflows have been redesigned to include defined checkpoints, clearer accountability structures.
- **Strengthened communication:** Liechtenstein has established cross-departmental lines of communication, also involving the administration and central services department of the Office of Environment, to ensure alignment of processes and prevent miscommunication on compliance related matters.

Operational Processes

- **Access to the Registry:** Liechtenstein has already resolved the issues of not being able to access its national registry and has taken steps to avoid access constraints in future, including having multiple team members with access to the registry as well as having a designated part in the SOP describing how to set up access to the registry for new team members.
- **Testing and validation:** In partnership with the EU Union Registry team and the International Transaction Log (ITL) service of UNFCCC, Liechtenstein has been preparing a test environment to simulate the retirement process, identify potential issues, and confirm the system's readiness.

- **Kyoto Protocol Units:** Aiming to ensure that its national registry system is able to retire a sufficient amount of Kyoto Protocol (KP) units valid for the commitment period, Liechtenstein hereby reconfirms that enough such KP units continue to be available for retirement in its national registry.

2.1 Timeline and status of full implementation of the corrective measures

This section outlines the timeline for the implementation of corrective measures aimed at addressing the identified non-compliance issue. It presents a structured overview of actions that have already been completed, those currently in progress, and upcoming steps scheduled for the short and medium term. The table also highlights Liechtenstein's ongoing efforts to institutionalize compliance through continuous improvement, monitoring, and engagement with relevant international partners.

Fields of Action	Corrective Measures	Description	Timeline	Status
Capacity Building				
	Staff Training	Initial staff training sessions have been held to improve understanding of Kyoto Protocol obligations and registry operations	Q3 2024	completed
	Staff training	Capacity-building exercises and regular workshops	continuously	ongoing
	Additional Capacity	Additional staff resources added to the climate team	Q4 2023	completed
	Continuous Training	Continue process improvements, implement periodic reviews, and participate in international compliance forums to stay informed and aligned	continuously	ongoing
Peer Group Exchanges				
	Exchange of good practices	Reaching out to other European countries	continuously	ongoing

Fields of Action	Corrective Measures	Description	Timeline	Status
Knowledge Management				
	SOP	SOPs have been established and will be regularly updated	Q4 2024 - continuously	ongoing
Administrative Processes				
	Oversight	Establishment of clear oversight and control roles	Q4 2023	completed
	Process enhancement	Redesign of internal workflows checkpoints, clearer accountability structures and automated tracking mechanisms	Q1 2024	completed
	Strengthened communication	Establishment of regular cross-departmental coordination meetings	Q2 2024	completed
Operational Processes				
	Testing and validation	Establish a test environment in cooperation with the EU and UNFCCC to validate the retirement procedure	Q2 2025	ongoing
	Access to the Registry	Ensure that all team members have access to Liechtenstein's national registry	Q4 2023	completed
	KP Units	Ensure that KP units continue to be available for retirement until retirement is completed.	Q1 2025	completed

Furthermore, Liechtenstein will report on the progress of its implementation in accordance with the procedures and mechanisms relating to compliance under the Kyoto Protocol.

2.2 Prevention of Recurrence

Efforts linked to the prevention of recurrence go beyond the Kyoto Protocol commitment periods and entail due diligence efforts linked to broader registry topics related to the EU Union Registry as well as registry compliance topics under Article 6 of the Paris Agreement.

3. Conclusion and request for support

Liechtenstein takes full responsibility for this issue and remains committed to rectifying the situation. Liechtenstein reaffirms its commitment to fulfilling all Kyoto Protocol obligations. The outlined corrective actions aim to resolve the current non-compliance and prevent future issues. Liechtenstein is ready to take immediate action to retire the outstanding units once the ITL allows such retirement to take place.

Liechtenstein kindly requests the Enforcement Branch's understanding and support as Liechtenstein finalizes these action plan's measures and restores full compliance.