



To: Members and alternate members of the enforcement branch
Kyoto Protocol Compliance Committee
unfccckpcompliancecommittee@unfccc.int

Your correspondence:
CC-2024-1-7,
CC-2024-1-3,
CC-2024-1

A
853/2024-
5869
ID/2887248

Vaduz
16 June 2025

1st Progress Report to Action plan to address non-compliance with the Kyoto Protocol (Second Commitment Period)

Liechtenstein is pleased to present this first progress report to the Action Plan submitted 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).

This progress report outlines the status of implementation of the corrective measures outlined in the action plan submitted in May 2025 (CC-2024-1-7/Liechtenstein/EB), describes the progress achieved to date, and affirms Liechtenstein’s ongoing commitment to restoring and maintaining full compliance.

Table of Content

1. Short summary of the Action Plan	3
2. Timeline and status of full implementation of the corrective measures	3
3. Additional Information and Outlook	5
4. Conclusion	6

1. Short summary of the Action Plan

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 available in its registry and ready to be retired for the purpose of demonstrating compliance. The root causes identified were as follows:

- Leadership transition and insufficient knowledge transfer
- Capacity constraints due to limited staffing and turnover
- Technical and administrative issues accessing the national registry
- Disruptions in internal communication
- Insufficient administrative oversight.

To address these shortcomings that caused the non-compliance and to restore full compliance with the Kyoto Protocol, the action plan of Liechtenstein outlines a comprehensive package of corrective measures across five domains:

- Capacity Building: Staff training, added personnel, and continuous learning
- Peer Group Exchanges: Cooperation with other countries on best practices
- Knowledge Management: Establishment and updating of SOPs
- Administrative Processes: Oversight, workflow redesign, and improved communication
- Operational Processes: Secure access to the registry, testing of the retirement process and assurance of sufficient Kyoto Protocol units.

2. Timeline and status of full implementation of the corrective measures

The table below summarizes the implementation status of the corrective measures.

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: Two training sessions held with support from other countries.

	Staff training	Capacity-building exercises and regular workshops	continuously	Ongoing: Capacity-building with current staff held. Additional staff member will be trained in Q4.
	Additional Capacity	Additional staff resources added to the climate team	Q4 2023	Completed: Climate team staff capacity doubled since Q4 2023.
	Continuous Training	Continue process improvements, implement periodic reviews, and participate in international compliance forums to stay informed and aligned	continuously	Ongoing: I.a. staff member to participate in SB in Bonn 2025 and participate in relevant compliance fora.
Peer Group Exchanges				
	Exchange of good practices	Reaching out to other European countries	continuously	Ongoing: Support service contract with the Austrian Office for Environment (AOE) is about to be signed. Purpose mainly to jointly identify process improvements.
Knowledge Management				
	SOP	SOPs have been established and will be regularly updated	Q4 2024 - continuously	Ongoing: Draft SOP established. SOPs to be finalized in Q2-2025 with the support of AOE.
Administrative Processes				
	Oversight	Establishment of clear oversight and control roles	Q4 2023	Completed: Roles and responsibilities of climate staff clarified.
	Process enhancement	Redesign of internal workflows checkpoints, clearer accountability structures and automated tracking mechanisms	Q1 2024	Completed: workflows and accountability of climate staff clarified.

Fields of Action	Corrective Measures	Description	Timeline	Status
Administrative Processes				
	Strengthened communication	Establishment of regular cross-departmental coordination meetings	Q2 2024	Completed: Exchanges with Office of Foreign Affairs Liechtenstein on compliance process held.
Operational Processes				
	Testing and validation	Establish a test environment in cooperation with the EU and UNFCCC to validate the retirement procedure	Q2 2025	Ongoing: Validation only partially completed: Registry connectivity in the test environment established and retirement account successfully opened. But communication with EU Union registry support on the retirement functionality still ongoing.
	Access to the Registry	Ensure that all team members have access to Liechtenstein's national registry	Q4 2023	Completed: All team members have access to relevant production and test environments.
	KP Units	Ensure that KP units continue to be available for retirement until retirement is completed.	Q1 2025	Completed: List of KP units for transfer to retirement account have been shared with UNFCCC.

3. Additional Information and Outlook

Cooperation with International Partners

Liechtenstein has actively engaged with the EU Union Registry and the International Transaction Log (ITL) team to establish and test the retirement functionality. Also, the creation of the retirement account on the production and test environment was successful. However, critical information from the EU Union Registry on the retirement functionality is still outstanding. Several exchanges with other registry administrators have taken place.

Liechtenstein is expecting that a support contract with Austria will be completed by the end of June.

Challenges Faced

The most significant initial challenge was the transfer and retention of institutional knowledge following staff turnover. This has been mitigated through comprehensive SOPs and appropriate provision of access rights and training.

Currently, the main challenge is linked to the retirement functionality of the Union Registry. This issue has been raised with the EU ETS service desk.

Next Steps

- Final validation of the transfer of units to the retirement account in the test environment.
- Continued training and participation in international compliance-related events.
- Ongoing monitoring and updates to administrative processes and SOPs, supported by Austria.

4. Conclusion

Liechtenstein reiterates its full responsibility for the non-compliance issue and remains committed to achieving full compliance with the Kyoto Protocol. Substantial progress has been made in implementing the corrective measures, and Liechtenstein is prepared to finalize the retirement of units upon green light from the enforcement branch of the Kyoto Protocol Compliance Committee.

Liechtenstein would like to express its appreciation for the continued support received from UNFCCC.