

WORLD TRADE ORGANIZATION

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Committee on Trade and Environment

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THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE (UNFCCC)

Communication from the UNFCCC Secretariat

This background paper is circulated to Members of the CTE in preparation for the MEA Information Session on 24 October 2000.

I. INTRODUCTION

1. This communication is a follow-up of the earlier communications from the Secretariat of the United Nations Framework Convention on Climate Change to the Committee on Trade and Environment.
2. The purpose of this communication is to summarize the recent negotiations on the development of Procedures and mechanisms on Compliance under the Kyoto Protocol.

II. COMPLIANCE UNDER THE KYOTO PROTOCOL

3. The negotiations on the development of procedures and mechanisms on compliance under the Kyoto Protocol are progressing with the aim of adopting a decision on the establishment of a Compliance Committee, consisting of two branches – for facilitative and enforcement functions. The enforcement branch is likely to be composed of a majority of members with legal experience. There is as yet no consensus on provisions for appeal.
4. A majority of Parties are in favour of legally binding consequences, for one or more commitments. In the current text, the consequences, in particular for exceeding emission reduction targets, include a combination of:

- Recommended policies and measures;
- action plan on how the shortfall will be met;
- loss of full or partial access to the Kyoto mechanisms;
- requirement to restore the excess tonnes in the subsequent commitment period;
- mandatory financial payments.

5. There is an emerging consensus that a strong compliance system should be developed to facilitate the operation of the market based mechanisms and to ensure the environmental integrity of the Kyoto Protocol.

III. STATUS OF RATIFICATION

6. The status of ratification of the Convention and the Kyoto Protocol can be accessed from the web-site of the UNFCCC Secretariat (<http://www.unfccc.int/resouce/conv/ratlist>).