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## PRESS RELEASE

### Kyoto Protocol emissions trading system goes global

(Bonn, 14 October 2008) – The UN Climate Change secretariat announced on Tuesday that it is on schedule to complete the live connection of the UNFCCC International Transaction Log (ITL) with the European Union (EU) Community Independent Transaction Log (CITL) and 26 European Union greenhouse gas emissions trading system (EU ETS) registries.

With the additions of the CITL and 26 EU ETS registries, the Kyoto trading system has now the critical mass that allows governments and legal entities to exchange and use emissions rights on a global scale, also taking advantage of credits stemming from the Clean Development Mechanism (CDM) and Joint Implementation flexibility mechanisms of the Kyoto Protocol.

“ETS go-live has been a high priority project for the UNFCCC secretariat. We have worked closely with the European Commission and the EU member states in coordinating the extensive preparatory work that was necessary to achieve the full connectivity of the ETS registries to the ITL; we are now very pleased by its clear success,” said UNFCCC Executive Secretary Yvo de Boer.

The ITL is now ready for starting real-time operation with the CITL and the national registries of Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, European Community, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. Earlier, five national registries had already joined the ITL along with the CDM registry.

“This event finalizes the infrastructure required for successful operation of all flexibility mechanisms under the Kyoto Protocol,” the UN’s top climate change official said. “In terms of carbon market, ETS go-live with the ITL expands the market size of carbon allowances in industrialized countries from about 24 billion tonnes CO<sub>2</sub> equivalent to almost 50 billion, in addition, the CDM is expected to add soon another 100 million credits to the market.”

The UNFCCC secretariat plans to link the registries of Iceland, Liechtenstein, Norway, and the Ukraine later in October–November this year. At that time almost all industrialized countries with emission reduction targets under the Kyoto Protocol will have full access to the implementation of market-based mechanisms.

“The complete architecture of the Kyoto Protocol becomes fully operational this year. We have explicit emission reduction targets in place for most industrialized countries; we have established a credible, comprehensive system for reporting and verifying GHG emissions; and now we are completing the infrastructure for using the carbon market as a cost-effective means for meeting the targets,” emphasized Mr. de Boer.



The ITL will re-start processing transactions at 8:00 AM (CEST), on Thursday, 16 October 2008.

### **About the UNFCCC and the Kyoto Protocol registry system**

With 192 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 182 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.

### **About the Kyoto Protocol registry system**

National registries contain the accounts within which greenhouse gas (GHG) emissions trading units are held in the name of the government or legal entities authorized by the government to hold and trade. In addition to recording the holdings of Kyoto units, national registries "settle" emissions trades by delivering units from the accounts of sellers to those of buyers, thus forming the backbone infrastructure for the carbon market. Each registry operates through a link established with the ITL, put in place and administered by the UNFCCC secretariat. The ITL verifies registry transactions in real time to ensure they are consistent with the rules agreed under the Kyoto Protocol.

### **About the CDM**

Under the CDM, projects that reduce greenhouse gas emissions and contribute to sustainable development can earn saleable certified emission reduction credits (CERs). Countries with a commitment under the Kyoto Protocol can use the CERs to meet a part of their obligations under the Protocol. There are currently more than 1180 registered CDM projects in 49 countries, and about another 3000 projects in the project validation/registration pipeline. The CDM is expected to generate more than 2.7 billion certified emission reductions (tradable CERs) by the time the first commitment period of the Kyoto Protocol ends in 2012, each equivalent to one tonne of carbon dioxide.

### **Note to journalists**

For further information, please contact

Mr Jean-François Halleux

Programme Officer

Reporting, Data and Analysis

United Nations Framework Convention on Climate Change - secretariat

Tel.: +49-228-815 1809

Email: JHalleux@unfccc.int