Experience with UNFCCC registries

PMR Technical Workshop
Cologne, Germany, 27 May 2012
Overview

• Registries under Kyoto
• How the system was built
• Lessons to be drawn
The challenge

- Assigned amount accounting at the global level
- National issuance of Kyoto units
  - Assigned amount units (AAUs)
  - Additional credits for LULUCF (RMUs) and JI (ERUs)
- Further credits issued centrally for the CDM (CERs)
- Needed central assurance of appropriate national actions
  - Kyoto compliance, full transparency
  - Real-time validation of transactions
- Business-critical systems
- Mix of international and national requirements
- Run by countries, used also by private sector
## Basic transactions

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance</td>
<td>Initial setup and ongoing projects</td>
</tr>
<tr>
<td>Conversion</td>
<td>Specific to JI projects</td>
</tr>
<tr>
<td>Internal transfers (to other accounts)</td>
<td></td>
</tr>
<tr>
<td>Trading</td>
<td>Internal mechanics of accounting</td>
</tr>
<tr>
<td>Cancellation</td>
<td></td>
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<tr>
<td>Replacement</td>
<td></td>
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<tr>
<td>Retirement (surrender)</td>
<td></td>
</tr>
<tr>
<td>External transfers (to other registries)</td>
<td>Primarily for trading and CDM</td>
</tr>
<tr>
<td>Carry-over units to next period</td>
<td>After compliance assessment</td>
</tr>
</tbody>
</table>
Kyoto’s registry systems

- EU international transaction log (CITL)
- EU checks
- Kyoto international transaction log (ITL)
- UN checks
- National registry
- National registry
- National registry
- National registry
- National registry
- National registry
- CDM registry
- National registry
- National registry
- Other Kyoto registries
- EU Member State registries
International collaboration

• Linking concerns were paramount from the start
• International guidance
  ◦ Marrakesh Accords, reissued in 2005 as decision 13/CMP.1
  ◦ Data Exchange Standards issued initially in 2003
• Driven largely by ITL and CITL administrators
• Registry Systems Administrators Forum
• Early emergence of key registry suppliers
• Registries operational with the ITL since 2008
What did we learn?

• Technical complexity under-estimated and under-funded
• Build in integration upfront if linking is desired
• Distinguish policy rules from technical implementation
  ◦ Minimal set of policy requirements, set upfront by policymakers
  ◦ Leave the rest to the technical implementers! Outsource!
  ◦ Allow flexibility for integration with private sector trading needs
• Remove registry systems from critical path of transactions
  ◦ Registries are for tracking, not trading
  ◦ Central checking doesn’t require real-time validation
• Security needs are equivalent to financial sector systems
For more info on registry systems under the Kyoto Protocol

www.unfccc.int/kyoto_protocol/registry_systems/items/2723.php