



## Summary of the Kyoto Protocol

The [Kyoto Protocol](#) was adopted on 11 December 1997. Owing to a complex ratification process, it entered into force on 16 February 2005. Currently, there are 192 Parties to the Kyoto Protocol. In short, the Kyoto Protocol operationalizes the [Convention](#) by committing industrialized countries to limit and reduce [GHG emissions](#) in accordance with agreed individual targets. The Convention itself only asks those countries to adopt policies and measures on mitigation and to report periodically.

The Kyoto Protocol is based on the principles and provisions of the Convention and follows its annex-based structure. It only binds developed countries, and places a heavier burden on them under the principle of “common but differentiated responsibility and respective capabilities”, because it recognizes that they are largely responsible for the current high levels of GHG emissions in the atmosphere.

In its Annex B, the Kyoto Protocol sets binding emission reduction targets for 36 industrialized countries and the European Union. Overall, these targets add up to an average 5 per cent emission reduction compared to 1990 levels over the five year period 2008–2012 (the first commitment period). In 2012, the [Doha Amendment](#) to the Kyoto Protocol was adopted for a second commitment period, starting in 2013 and lasting until 2020. However, the Doha Amendment has not yet entered into force; a total of 144 instruments of acceptance are required for entry into force of the amendment.

The Kyoto Protocol architecture was built and shaped on the basis of nearly two decades of experience, hard work and political will. There are two essential elements for the Kyoto Protocol.

The first element was the binding emission reduction commitments for developed country Parties. This meant the space to pollute was limited, and what is scarce essentially commanded a price. GHGs—most prevalently CO<sub>2</sub>—became a new commodity. The Kyoto Protocol began to internalize what was recognized as an unpriced externality.

The second element was the establishment of [flexible market mechanisms](#), which are based on the trade of emissions permits. Kyoto Protocol Parties bound to targets are required to meet them largely through domestic action—that is, by reducing their emissions at home. But they can meet part of their targets through three market-based mechanisms that ideally encourage GHG abatement to start where it is most cost-effective, for example, in the developing world. It does not matter where emissions are reduced, as long as they are removed from the atmosphere. This has the parallel benefits of stimulating green investment in developing countries and including the private sector in this endeavour to cut and hold steady GHG emissions at a safe level. It also makes leap-frogging—that is, the possibility of skipping the use of older, dirtier technology for newer, cleaner infrastructure and systems, with obvious longer-term benefits—more economical. The Kyoto Protocol also established a rigorous [monitoring, review and verification system](#), as well as a [compliance system](#) to ensure transparency and hold Parties to account. Further information on the Kyoto Protocol can be found [here](#).