

18. Definition of relevant principles, modalities, rules and guidelines for verification, reporting and accountability

*Proposals submitted on Friday, 12 June 1998*

19. Risk of transferees on transfers the transferor was not entitled to make under the Protocol.
20. Refusals of Annex I Parties to participate in emissions trading under Article 17.

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*(Submissions proposing headings under Article 17)*

Methodological/Technical Work

1. Determination of principles, rules, modalities and guidelines:
  - In particular for verification, reporting and accountability
  - To ensure that emissions trading provides real, cost-effective and verifiable environmental benefits, and that trading of 'hot air' does not lead to emissions reductions being lower than would otherwise be the case
  - To define supplementarity, by means of a concrete ceiling for the three mechanisms
  - To ensure that the emissions trading system is transparent, accessible and verifiable, functions in a non-discriminatory manner, and does not lead to distortions of competition
  - To establish responsibility in the event of non-compliance
2. Principles, modalities, rules, and guidelines, for verification, reporting, and accountability
3. Environmental effectiveness and economic efficiency
4. Tradeable assigned amount unit
5. Participation, including Parties and legal entities
6. Eligibility
7. Institutional requirements
8. Recording and reporting
9. Verification and accountability
10. Liability
11. Competitive markets
12. Transparency
13. Compliance

Participation in trading

1. Eligibility of Parties
2. Eligibility of other entities under the responsibility and within the jurisdiction of a Party