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PRESS RELEASE

Confusion threatens to limit potential of key Kyoto Protocol mechanism – UNFCCC Executive Secretary

Cologne, 2 May 2007 – The Kyoto Protocol's clean development mechanism (CDM) is stimulating investment in developing countries, reducing emissions and giving signatories to the Protocol some flexibility in how they meet their emission reduction targets, but confusion about the mechanism threatens to limit its potential, says UNFCCC Executive Secretary Yvo de Boer.

The Executive Secretary's remarks were made in response to growing media interest in the mechanism and in the context of mounting international concern over climate change. Commentary has been clear in recognizing that a host of strategies, including market-based mechanisms like the CDM, will need to be employed to counter climate change. It has been less successful, however, in drawing a clear distinction between the highly regulated CDM and the unregulated or self-regulated ventures offering carbon emission offsets over the World Wide Web and elsewhere.

"Some confusion is to be expected – after all, the mechanism is breaking new ground and catalysing further action on climate change – but some analysis of the CDM has dangerously missed the mark, especially in not distinguishing between the certified emission reductions produced under the CDM, and the emission offsets being sold by the growing number of unregulated or self-regulated enterprises," said Mr. de Boer speaking to an audience of carbon market stakeholders and the press at the annual Carbon Expo.

To be registered and then earn certified emission reduction (CER) credits, CDM projects must pass a rigorous process of approval and independent third-party monitoring designed to ensure that emission reductions claimed by a project are real, verifiable and additional to what would have taken place without the project. The CERs earned by project participants can be sold and retired against national emission reduction commitments under the Kyoto Protocol.

"The clean development mechanism is doing what the countries of the world designed it to do, and it has been very successful. Our task now is to build on that success and tap the considerable potential of the CDM, and other market mechanisms, for stimulating investment and reducing emissions," said Mr. de Boer, the United Nation's top climate change official.



The CDM is overseen by an international Executive Board that meets in Bonn about eight times a year. So far some 645 CDM projects have been registered in 44 countries, covering a wide range of sectors. Some 1.9 billion CERs, each equivalent to a tonne of CO₂, are expected to be produced by CDM projects to the end of the Kyoto Protocol's first commitment period in 2012.

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