



PRESS RELEASE

First emission credits issued under the Kyoto Protocol

Bonn, 20 October 2005 – The Executive Board of the Clean Development Mechanism (CDM) today issued the first ever certified emission reductions (CERs) under the Kyoto Protocol. These credits were issued for two hydroelectric projects in Honduras. 'La Esperanza Hydroelectric Project' is expected to initially generate annually 37,000 CERs and is registered in partnership with Italy, while the 'Rio Blanco Small Hydroelectric Project', in which Finland has a stake, produces 17,800 CERs per year.

CERs are generated by climate-friendly, sustainable development projects in developing countries. They can be used by developed country Governments and companies to meet their reduction commitments under the Kyoto Protocol. Under the emissions trading scheme set up by the 1997 landmark agreement, CERs can be traded and thus help to combat climate change in the most cost-effective way. A CER amounts to one tonne of CO₂ equivalent.

Ms. Sushma Gera, Chair of the CDM Executive Board said: "The CDM is for real. It is delivering sustainable development to communities and at the same time real emission reductions." Both projects in Honduras supply renewable energy to the national grid. The country would otherwise have to rely on carbon-emitting fossil fuels to generate the equivalent electrical power.

The CERs issued today for the initial phase requested by the project participants amount to 2,210 and 7,304 tonnes of CO₂ equivalent, respectively. The project participants include governments, the World Bank Community Development Carbon Fund (CDCF) and private companies operating in Honduras: Consorcio de Inversiones S.A.(CISA), Asociación de Pequeños Productores de Energía Renovablei (AHPPER) and Sociedad Hidroeléctrica Río Blanco S.A. de C.V. (SHRB).

The projects were validated by the London-based company DNV Certification, one of the 'designated operational entities' (DOEs) that play an important role in the CDM as they check whether projects conform with the rules. Such DOEs also verify and certify the emission reductions achieved by a registered CDM project before the CDM Executive Board clears any CERs for issuance.



Since the Kyoto Protocol entered into force in early 2005, the number of registered CDM projects has doubled every quarter. It now stands at 26 and is growing: around 300 projects are currently awaiting validation. "This shows that project developers around the world now know of the opportunities offered by the CDM and are confident that their projects can comply with the rules", Ms. Christine Zumkeller, acting Coordinator of UNFCCC's Cooperative Mechanisms Programme, pointed out.

Looking ahead to the upcoming United Nations Climate Change Conference in Montreal (28 November to 9 December 2005) the acting head of the UN Climate Change Secretariat, Richard Kinley said: "Governments and project developers now need a signal that the CDM has a future beyond 2012". He added that "once this signal is sent, project developers around the world will know that it makes sense for them to continue to engage in ever larger numbers."

*For further information, please go to the CDM section of the UNFCCC web site:
<http://cdm.unfccc.int> or e-mail cdm-info@unfccc.int or contact:*

*Ms. Sushma Gera, Chair of the CDM Executive Board
tel. (+1-613) 263-4872*

*Ms. Christine Zumkeller, Acting Coordinator Cooperative Mechanisms
tel.: (+49-228) 815-1620*

*Mr. Kai-Uwe B. Schmidt, Programme Officer
Cooperative Mechanisms, tel. (+49-228) 815-1602*

Mr. John Hay, Spokesman, tel.: (+49-228) 815-1404, mobile: (+49-172) 258-6944

Ms. Carrie Assheuer, Public Information and Media Assistant, tel.: (+49-228) 815-1005

Mr. Einar Telnes, DNV technical director, tel.: (+47-67) 57-7817, e-mail: einar.telnes@dnv.com

*Finland (Designated national authority):
Mr. Pekka Puustinen, Head of Unit, Unit for Sectoral Policy, Ministry of Foreign Affairs,
Department for Development Policy, tel.: (+358-9) 1605 6410
Special project contact: idem*

*Honduras (Designated national authority):
Ing. Gerardo Antonio Salgado Ochoa, Subsecretario de Recursos Naturales y Energia, Secretaría
de Estado en los Despachos de Recursos Naturales y Ambiente
tel.: (+504) 231 1918, (+504) 232 5813
Special project contact: idem*

*Italy (Designated national authority):
Mr. Corrado Clini, Director General of the Department for Global Environment, International and
Regional Conventions, Ministry for the Environment and Territory, Department for Global
Environment, International and Regional Conventions, tel.: (+39-06) 5722 8101/02/04
Special project contact: Ms Claudia Croce, tel.: (+39-06) 5722 8178*



Project participants:

Mr. Kenneth Newcombe, World Bank Community Development Carbon Fund (CDCF), Senior Manager, tel.: (+1-202) 473 6010 or Mr. Andrea Pinna, Fund Manager, tel.: (1-202)473-1525

Mr. Ronald Turner, Consorcio de Inversiones S.A(CISA), General Manager, tel.: (+504) 783 0778

Eda Zapata, Asociación de Pequeños Productores de Energía Renovable (AHPPER), Executive Director, tel.: (+506) 235 7395/(+506) 986 3963

Mr. Roberto Nunez, Sociedad Hidroeléctrica Río Blanco S.A. de C.V. (SHRB), Project Manager, tel.: (+504) 236 8788/390 6003