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PRESS RELEASE

Fossil fuel efficiency projects to receive much-needed investment under Kyoto Protocol's clean development mechanism

(Bonn, 14 September 2007) – Projects that increase the burning efficiency of fossil fuels can now qualify for registration under the Kyoto Protocol's clean development mechanism (CDM), thanks to a decision taken by the mechanism's independent Executive Board.

The CDM Executive Board has approved a methodology for monitoring emissions from fossil fuel efficiency projects and for setting the emissions baseline against which their emission reductions can be measured. A critical challenge that the Board had to overcome in fine-tuning the methodology was to find a way to prevent such projects from inadvertently prolonging the use of fossil fuel or competing against renewable sources of energy. One way the Board did this was by building in a phase-out feature that limits the number of certified emission reduction credits (CERs) that can be earned. Another way was by limiting the number of projects eligible in a given country, based on a percentage of the fossil fuel (covered by the project) used in the country.

"Fossil fuel will remain a big part of the world's energy mix for decades to come. It's essential that we burn that fuel as efficiently as possible," said Hans Jürgen Stehr, Chair of the CDM Executive Board.

Baseline and monitoring methodologies are a key features of each CDM project type, and are, among other things, designed to ensure that the reductions claimed are real, measurable, verifiable and additional to what would have occurred without the project.

Under the CDM, projects in developing countries can earn saleable CERs by reducing greenhouse gas emissions. Industrialized countries can use these CERs to meet a part of their commitments under the Kyoto Protocol. The potential to earn CERs is expected to help reduce the high cost barrier to developing and then deploying clean-burn technologies.

There are currently more than 780 CDM projects registered in 48 countries. These projects, and the approximately 1320 others in the registration pipeline, are expected to generate 2.2 billion CERs, each equivalent to one tonne of carbon dioxide, by the end of the first commitment period of the Kyoto Protocol in 2012.



About the UNFCCC

With 191 Parties, the United Nations Framework Convention on Climate Change (UNFCCC) has near universal membership. It is the parent treaty of the 1997 Kyoto Protocol, which has to date 175 member Parties. Under the Protocol, 36 States, consisting of highly industrialized countries and countries undergoing transition to a market economy, have legally binding greenhouse gas (GHG) emission limitation and reduction commitments, while developing countries have non-binding obligations to limit emissions. The ultimate objective of both treaties is to stabilize GHG concentrations in the atmosphere at a level that will prevent dangerous human interference with the climate system.

Note to journalists

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