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PRESS RELEASE

Kyoto Protocol's Clean Development Mechanism set to generate one billion tonnes of greenhouse gas emission reductions

(Bonn, 10 May 2006) – At the opening of the Cologne Carbon Expo, the world's largest carbon fair, the United Nations Climate Change Secretariat has pointed towards an exponential rise in investment into emission reductions through the Kyoto Protocol.

"The fact that the carbon market is enjoying such remarkable growth is a clear indication of the success of the Kyoto Protocol's flexible mechanisms", said Halldor Thorgeirsson, Deputy Executive Secretary of the United Nations Framework Convention on Climate Change.

In addition to the implementation of climate-friendly policies at home, the Kyoto Protocol allows countries to meet their emission targets through the treaty's market mechanisms. For example, the clean development mechanism (CDM) allows industrialized countries to generate emission credits or allowances through investment in emission reductions projects in developing countries.

"In December 2005, there were 40 CDM registered projects, with 500 in the pipeline. Now we have more than 176 registered projects and approximately another 600 in the CDM evaluation process leading to registration. The numbers speak for themselves", said Mr. Thorgeirsson

The potential of the CDM to deliver emission reductions even at an early stage of implementation is illustrated by the fact that the known project potential of the clean development mechanism is presently estimated to generate over 910 million tonnes of emission reductions by the end of 2012.

"We are presently fast approaching the one billion tonne mark in emission reductions, which corresponds to the present emissions of Spain and the United Kingdom combined", said Richard Kinley, acting head of the UN Climate Change Secretariat in Bonn.

His statement came five days ahead of a fresh round of UN-sponsored climate talks in Bonn. One round of talks has global participation and will explore options for longer-term climate change policy, including the potential of the carbon market. Another round of talks will involve the 163 Parties to the Kyoto Protocol and will focus on negotiating commitments for



industrialized countries beyond the year 2012 – the end of the first commitment period of the Kyoto Protocol.

“Two market mechanisms - the clean development mechanism and emissions trading - have been tested and have proven to be highly effective. The third – Joint Implementation (JI) – has also started in earnest earlier this year with the first meetings of the JI Supervisory Committee”, said the UN Climate Change Secretariat’s Halldor Thorgeirsson.

Joint Implementation is one of the Kyoto mechanisms which allows developed countries to invest in other developed countries, in particular central and eastern European transition economies, and thereby earn carbon allowances which they can use to meet their emission reduction commitments.

“However, the markets need long-term certainty, and that is precisely what these talks and negotiations are all about”, he added.

Note to journalists: For accreditation to the May sessions, to arrange interviews and for further information, please contact Ms. Carrie Assheuer, Public Information and Media Assistant: tel.: (+49-228) 815-1005 or press@unfccc.int.

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