



PRESS RELEASE

European Commission to pay additional 853,000 EUR to support Kyoto's flexible mechanisms and technology transfer

(Montreal, 9 December 2005) The European Commission has signed agreements with the Secretariat of the United Nations Framework Convention on Climate Change (UNFCCC) to contribute an additional 853,000 EUR in support of the operation of the Clean Development Mechanism (CDM) and the establishment of the International Registry System that will keep track of transfers of Kyoto emissions credits.

This amount also includes 100,000 to support information exchange on clean technology transfer. The contracted sums come on top of 1.2 million EUR already paid by the Commission over the last two years. EU Member States have today committed 3.67 million EUR to support a streamlined and strengthened CDM, which is one of the outcomes of the Montreal Conference. The total amount pledged, including pledges from non-EU countries, is close to 7 million EUR (US\$ 8,188,050).

"The European Commission is fully committed to Kyoto's innovative market-based mechanisms since they bring clean technology to developing countries and will help the EU to meet its Kyoto target," said European Commissioner for the Environment Stavros Dimas. "During the Montreal Conference, Parties agreed to streamline and strengthen the operation of CDM. This is our contribution to achieving this objective."

"We are deeply grateful to the Commission," said Richard Kinley, acting head of the United Nations Climate Change Secretariat based in Bonn, Germany. "With the help of this contribution, we will be able to ensure that the work on the Kyoto mechanisms moves ahead as planned."

The amount contracted today includes 453,000 EUR for CDM, 300,000 EUR for the International Registry System and 100,000 EUR for the technology transfer clearing house. It is additional to 1.2 million EUR that the European Commission, the EU's executive body, has already paid to the Secretariat to support CDM and the International Registry System as well as the participation of developing countries in the UNFCCC process.

In 2006, the European Commission is planning to provide new funding of around 850,000 EUR. CDM allows countries with Kyoto emission targets to invest in emission-reducing projects in developing countries and count the achieved reductions towards their targets. Under the EU Emissions Trading Scheme, EU-based companies covered by the scheme can do the same. CDM transfers advanced technologies to developing countries and supports their



sustainable development. The electronic International Registry System will act like a bank and keep track of transactions of credits.

EU Member States are expected to purchase more than 540 million credits, each equivalent to 1 tonne of carbon dioxide equivalent, through the Kyoto Protocol's flexible mechanisms. They have already set aside more than 2.7 billion EUR for purchasing such credits.

Note to journalists:

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