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PRESS RELEASE

Green light for submission of CDM projects: Executive Board approves first methodologies

BONN, 28 July 2003 – The Executive Board of the Kyoto Protocol's Clean Development Mechanism (CDM) today approved the first two baseline and monitoring methodologies, thus giving a major boost to the CDM. The proposals had been developed for a landfill project in Brazil and an HFC decomposition project in the Republic of Korea. The methodologies will be available on the UNFCCC CDM web site (<http://unfccc.int/cdm>) shortly.

Baseline and monitoring methodologies play a key role in determining how well the CDM functions as they help ensure that emission reduction credits claimed by CDM projects are legitimate. Any approved methodology helps to build the body of "case law" and can be drawn upon by similar projects. Proponents of a CDM project may use an approved baseline methodology to demonstrate that their project is truly "additional" and would not have happened anyway. It must also include an approved monitoring methodology to account for their project's actual emissions. A project, which properly applies a baseline and monitoring methodology and meets the other CDM requirements, could then proceed with the validation and registration. The Board will automatically register a project within eight weeks unless a review process is requested.

The Board further agreed at its tenth meeting held in Bonn on 28 and 29 July 2003, that one proposed project methodology (fuel switching project in Chile) was sufficiently elaborated to be expeditiously re-considered for approval, if proponents made the required changes by 25 August 2003.

The CDM was established under the 1997 Kyoto Protocol as a way of promoting sustainable development while minimizing the costs of limiting greenhouse gas emissions: In return for investing in a CDM sustainable development project, companies will earn "certified emission reductions" that developed countries may use to meet their Kyoto commitments.

For more information about the CDM please consult <http://unfccc.int/cdm>
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