



**Press Release**

## **3C: G8 summit could take decisions for post-Kyoto period**

**Frankfurt, January 31<sup>st</sup>, 2007.** The international carbon consulting group 3C welcomes the aim expressed by politicians and industry leaders during the World Economic Forum in Davos this year to establish a world wide emissions trading scheme. However, Dr. Sascha Lafeld, Member of the Board of 3C Holding AG, points out, that globally tradable certificates are already provided by the so called project based mechanisms under the Kyoto-Protocol, such as the Clean Development Mechanism (CDM), generating Certified Emission Reductions (CER) and Joint Implementation (JI), generating Emission Reduction Units (ERU). Thus the idea of a global trading scheme has in a way already become reality, not with emission allowances but with emission reductions. It is however of utmost importance, that a future trading scheme will tie up to those mechanisms in order to ensure middle and short term investment reliability for CDM and JI projects.

“We assume that 10,000 to 15,000 climate change projects worldwide will generate 2 to 2.5 billion CERs and ERUs until 2012. There is huge potential for efficient climate protection in this market, which industrialised countries as well as developing countries and emerging market can profit from. We must not jeopardise this opportunity by tedious discussions about the post-Kyoto period”, Lafeld warns. The relevant decisions for a post-Kyoto period scheme should be taken as soon as possible. The G8 summit in Germany in June would be a very good opportunity to do so. The leaders of the main industrial nations are invited to commit themselves to binding emission reduction targets and a further endorsement of the successfully implemented project based mechanisms CDM and JI after 2012.

The consultation process within the conferences of the United Nations Framework Convention on Climate Change could be retained as well proven tool for discussions. But since the UN rules ask for unanimous decisions, these discussions are not suitable for finding the necessary short-term sustainable solutions in time, says Lafeld who has been invited as a speaker to UN-conferences for several years.

If there are no binding post Kyoto climate protection agreements by 2008, the danger of congestion in the investment pipeline will occur, since a lot of projects take up to five years from planning to implementation. If there is no market for emission reductions guaranteed, there will be no incentive to invest in climate change projects in developing countries and emerging markets.

The CDM and JI mechanisms are based on the idea of technology transfer from industrialised to developing countries. For their engagement in sustainable greenhouse gas reduction projects, investors receive emission reduction credits which have become tradable commodities in the international emission trading



market. Major buyers are on the one hand companies covered by the EU Emission Trading Scheme. On the other hand several nations, which have committed themselves under the Kyoto-Protocol to reduce greenhouse gas emissions, find themselves in the global emission trading market trying to make up with their shortfalls.

### 3C Group

*Under the roof of 3C Holding AG, the 3C Group consists of 3C Consulting GmbH and 3C Markets AG located in Bad Vilbel/Frankfurt, Berlin and Santiago de Chile.*

*3C Consulting GmbH is the world's leading company specialised in the development and implementation of carbon offset programmes for corporations and events. With its Carbon Investment Advisory Department 3C Consulting GmbH also provides the link between carbon commodity markets and financial markets and offers fund managers comprehensive expertise on Carbon Funds and the project based Kyoto-mechanisms. Furthermore it offers tailor-made services regarding the evaluation and implementation of CDM and JI projects as well as the marketing of emission reduction credits.*

*3C Markets AG, founded in spring 2006, provides consulting services to the industry regarding tailor-made emission trading strategies especially for the EU Emissions Trading Scheme.*

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