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Finland buys emission reductions from China

Finland signed this week an emission reductions purchase agreement totaling 1.4 million tons CO₂ with a Chinese environmental company.

The Certified Emission Reductions (CERs) will be produced in Hunan county in China by a programmatic Clean Development Mechanism (CDM) project based on household biogas reactors and cookers.

The project will be implemented by the Chinese seller company Beijing Hebayi Ecological Energy Development Co Ltd. The project, located in the mountainous region of the Hunan county, supports sustainable development at local level in various ways.

The introduction of household biogas reactors and biogas cookers in 210 000 households in Hunan county will lead to an increased local air quality.

The quality of the inside air in local households will enhance significantly. This will reduce the many health hazards that these emissions normally cause especially for women and children.

According to the purchase agreement Finland buys CERs for both the Kyoto period 2009-2012 as well as for the post-Kyoto period 2013-2018 with a total purchase volume of 1.4 million tons CO₂. A prerequisite for the trade of post-Kyoto credits is that there will be an international agreement.

Under the CDM an industrialized country invests in reducing greenhouse gases in a developing country and acquires CERs. With the help of the CDM an industrialized country can fulfil its' Kyoto targets in a cost effective manner. In exchange the target country gets investments that promote its' sustainable development.

According to statistics of UN CDM Executive Board (EB), China has registered 433 CDM projects at the UN Executive Board as a host party. The expected average annual reductions of carbon dioxide from those projects are more than 147 million tons.

Source: Weekly News, week 10