

Russia to Issue 100 Million Carbon Credits

By [The Moscow Times](#)

February 16, 2012

The  Moscow Times

Russia will issue 100 million carbon certificates worth 500 million euros (\$650 million) in 2012, a Sberbank executive who helps administer projects for the government said in an interview.

Russia has issued 28.6 million credits to date under the United Nations Joint Implementation mechanism, a scheme to spread green technology in countries that have pledged to reduce greenhouse gases under the 1997 Kyoto Protocol.

This includes 642,892 so-called Emission Reduction Units, or ERUs, since the start of the year, according to calculations from data on the Russian carbon credits registry website.

"We expect that during this year something like 100 million carbon certificates will be delivered to the world market, mostly to the EU, partially to Japan," Vsevolod Gavrilov, director for energy efficiency and natural resources at Sberbank, said in an interview.

"This 0.5 billion [euros] could generate 2 billion in investment, focused on climate protection and energy efficiency," he said.

Buyers and sellers of carbon credits pay a fee to state-owned Sberbank before the government will release credits.

Russian companies have earned ERUs for reducing wasteful flaring of gas during oil production, using energy from biomass and upgrading furnaces to more energy-efficient models.

Russia, a latecomer to carbon schemes, is likely to have a surplus of 6 billion UN-issued CO₂ permits called Assigned Amount Units, or AAUs, available for sale. These in theory could be turned into ERUs that European companies can use to meet targets in the EU Emissions Trading System.

The EU and environmentalists are worried that Russia could flood the market with credits, causing a collapse in carbon prices with no benefit for the environment.

Gavrilov said a Russian decree from September 2011 restricts the issuance of AAUs to 300 million — 5 percent of the total surplus. "We are not interested in reducing prices," he said.

Russia cannot issue billions of credits without the say-so of foreign investors, he added. "All projects are approved by Japan or EU member states' governments."

"One-third of the money, maybe even half of the carbon money, will be returned to the EU or Japan by the export of technology and machines," he added.

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