

EU, UN to link carbon trade schemes by year end

The European Union (EU) and the UN have completed all the tests necessary to link their respective schemes for trading emissions of the greenhouse gas carbon dioxide (CO₂) by the end of the year, officials in Brussels said Wednesday.

A successful link-up would mean that European companies which sponsor emissions-reduction projects in developing countries such as China and India would be able to get credit for it at home.

Under the Kyoto Protocol, the main international agreement on how to fight global warming, developed countries that pay for emissions reductions in developing countries are allowed to count the reduction as if they had carried it out at home.

Emissions-reduction credits gained in this way are listed in the UN's International Transaction Log (ITL).

In parallel, the EU runs an Emissions Trading Scheme (ETS) in which companies which emit large amounts of CO₂, such as electricity generators, have to buy permits to emit the gas. Deals are recorded in the EU's Community Independent Transaction Log (CITL).

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